

**ROCKVILLE HOUSING ENTERPRISES
BOARD OF COMMISSIONERS MEETING
REGULAR MEETING**

**Rockville Housing Enterprises –
David Scull Community Center
2101 First Street**

ROCKVILLE, MARYLAND 20850

Wednesday, June 27, 2017

Agenda

- 6:30 p.m. 1. Consent Items: (T-1)**
- 7:15 p.m. 3. Citizens Forum:**
- 7:25 p.m. 4. Information Exchange:**
- **Executive Director's Report (T-2)**
 - **Finance Reports (T-3)**
 - **Asset Management (T-4)**
 - **HCV Report (T-5)**
 - **Fireside Park Report (T-6)**
- 8:00 p.m. 5. Action & Discussion Items: (T-7)**
- **Annual Plan – Proposed Policy Change Update**
 - **Wait list preference/kiosk update**
 - **Audit FYE 2017 reviews**
- 8:30 p.m. 6. City of Rockville (COR) Report**
-
- 8:45 p.m. 7. Commissioners Comments:**
- 9:00 p.m. 8. Adjourn**

1. Individuals needing special accommodations to fully participate in this meeting, call the RHE office (301) 424-6265
2. This Agenda is subject to change without notice.
3. Times are approximate and may vary depending on length of discussion.
4. Public participation is permitted on Agenda Items in the same manner as if the Agency were holding a legislative-type Public Hearing.

5. Pursuant to The Open Meeting Act (3-302(b)(3)); all or part of any of the above noticed meetings may be held in executive session.

TAB 1

**Rockville Housing Enterprises
Board of Commissioners Meeting
May 23, 2017**

The Board of Commissioners for Rockville Housing Enterprises met in Regular Session on May 23, 2018 at the RHE Administrative Offices located at 621 A Southlawn Ln. Rockville, MD 20850.

Present

Chair Edward Duffy
Commissioner James Hedrick
Commissioner Kenric Brooks
Commissioner Teresa Defino
Vice Chair Steven Marr

In Attendance

Ms. Jessica Anderson, Executive Director
Mr. Mark Pierzchala, Council Member City of Rockville
Ms. Asmara Habte, Chief Housing City of Rockville
Ms. Crystal Gorham, Manager Assisted Housing Program, RHE
Ms. Soila Aguilar, RHE Staff

6:34 PM Call to Order

Chair Duffy called the Rockville Housing Board of Commissioners Meeting to Order.

6:36 PM Consent Items

Chair Duffy noted the first item on the agenda was the approval of the April 25, 2018, Board Meeting minutes.

Commissioner Defino moved to accept the meeting minutes, Commissioner Brooks seconded the motion, all present voted aye.

6:40 PM Citizen Forum

There were no citizens present

6:41 PM Executive Director's Report

Executive Director Anderson presented her report as follows:

Activities during the month of April 2018

Meetings/Activities

- RELP One Site visit with Tax Credit Investor, AEGON held on April 6, 2018.
- Fireside Park meeting held with Property Management on April 19, 2018.
- Participated in multiple conference calls regarding Fireside Park fire restoration activities and refinance activities

Financial Management

- See Tab 3 – Financial Narrative.
- The RHE Single Audit is currently being closed out. Management currently anticipates a no finding audit report for the fiscal year ending 9-30-2017. All audit reports will be included in the June Board report.

Asset Management April 2018 (See TAB 4 and TAB 6 of Board Report)

- PH Occupancy is 95% (105 units)
- RELP One. Occupancy was at 86% (56 units) (4 move ins scheduled for May)
- RHEP Occupancy is 100% (4 units)
- Fireside Occupancy actual 94%

Housing Choice Voucher Program (HCVP) Management

April 2018

- HCV Program voucher units leased for the month ending April 2018 was 94% and calendar year to date in April 2017 was 97%. HCV Program budget utilization for the month ending April was 96% and calendar year to date in April 2017 was 104%.
- The 50 unit Mainstream Disabled Voucher program for which funds are allocated dollar for dollar based on utilization is 98% leased.
- The 5 unit Moderate Rehabilitation Single Room Occupancy (SRO) program for which funds are allocated dollar for dollar based on utilization is 60% leased. RHE continues to work with Community Ministries on reaching 60% occupancy of the Mod Rehab units.

Fireside Park

- Occupancy for the month ending April was 94%.
- Resident retrieval personal items from the fire damaged units took place on May 11-12, 2018. The process was successful with a few exceptions. There were some families that refused to execute the liability release or secure a remediation contractor. Therefore access was not granted to those individuals. The Rockville City Police had to be called for one family in particular.
- The demolition contractor began work on May 7, 2018. Demolition to the studs and the abatement work is expected to conclude the first of September at which time the interior reconstruction will commence.
- Insurance proceeds have been approved for the demolition and abatement work.

- The early bond inducement for Fireside with the State of Maryland was approved by CDA on May 16, 2018. This will allow the project to include the fire remediation cost in the tax credit basis.

Resident Services Department

April 2018

- 27 PH Participants
- 58 HCV Participants
- YTD – 10 FSS Completion

April Activities

Community

- After school programs Tues/Thurs – “So What Else”
- Monday evening food pantry at 10 PM Celestial Manna
- Friday food pantry with Nourish Now Meeting at 3:30

7:00 PM Actions and Discussion Items

Annual Plan – Housing Choice Voucher Administrative Plan and Public Housing Admissions and Occupancy Policy

Director Anderson reviewed the major changes of the plans which are the waiting list preferences. Staff would like for the preferences to be removed and to utilize a lottery system to ease the approval process for new move ins. It was determined that the Board would like to keep the living in Rockville waiting list preference. Discussions were held regarding the use of technologies such as kiosks to verify preference points at the time of application. Staff will research technologies and report back to the Board.

Chair Duffy noted the following changes to be made in the Administrative Plan. Remove the RAD section, and Community Ministries does not own building where the Project Based Vouchers are located.

7:15 PM City of Rockville Report

Ms. Habte reported the City will hold a CDBG forum for Non Profit agencies to be held on July 10, 2018. The City of Rockville has hired a new Director of Planning and Community Development as well a new Police Chief. Ms. Habte reported the City passed the budget on May 14, 2018.

7:23 PM Executive Session

Director Anderson requested an Executive Session Under Open Meetings Act Section 3-303.b: To consult with staff, consultants, or other individuals about pending or potential litigation. Commissioner Hedrick moved, Commissioner Brooks seconded the motion. Executive Session began at 7:23 PM. Executive Session concluded at 7:31 pm.

Commissioner Marr moved to conclude Executive Session and reconvene the Regular Session; Commissioner Hedrick seconded the motion.

7:32 Commissioner Comments

There were none.

7:35 PM Adjourn

There being no further business to come before the Board of Commissioners at the time, A motion to adjourn was offered by Commissioner Defino, Commissioner Brooks seconded the motion. All present voted aye.

TAB 2

**Rockville Housing Enterprises
Executive Director's Report
As of June 13, 2018**

Activities during the month of May 2018

Meetings/Activities

- Mother's Day event was held at David Scull on May 9, 2018.
- Bernie Scholarship Ceremony attended on May 17, 2018.
- Fireside Park meeting held with Property Management on May 24, 2018.
- Participated in multiple conference calls regarding Fireside Park fire restoration activities and refinance activities.
- Staff Training held on new software application.

Financial Management

- See Tab 3 – Financial Narrative.
- The 2018 Capital Fund awards were announced. RHE received \$199,999. This is an approximate \$60,000 increase from the previous 5 years.

Other Information

- RHE received the annual HUD Public Housing Assessment Score (PHAS) for the audited report for fiscal year ending 9-30-2017. RHE scored a 92 out of 100. This score would put RHE at a High Performer Status.
- The City of Rockville donated a van to RHE for the Resident Services department use. The cost to repair the van was approximately \$3,000.
- Management has engaged Novogradic to complete a financial take out analysis for RELP One LP as the tax credit compliance period is coming to an end. This take out analysis will provide the information needed to determine if RHE should exit the tax credit partnership or stay in the partnership.
- A physical needs assessment is underway for both Public Housing and RELP. HUD requires Public housing units have a physical needs assessment every 5 years. The physical needs assessment for RELP One will be used to inform the take out analysis.
- Waiting List Preference verification – Management has researched the possibility of uploading resident address verification documents through electronic means as a method of validating the residency preference point at the time of application. It has been determined the technologies available are not cost effective. Therefore the living preference would continue to be verified manually.

Asset Management May 2018 (See TAB 4 and TAB 6 of Board Report)

- PH Occupancy is 95% (105 units)
- RELP One. Occupancy was at 88% (56 units) (actively marketing on apartments.com)
- RHEP Occupancy is 100% (4 units)

- Fireside Occupancy actual 97%

Housing Choice Voucher Program (HCVP) Management

May 2018

- HCV Program voucher units leased for the month ending May 2018 was 94% and calendar year to date in May 2017 was 96.55%. HCV Program budget utilization for the month ending May was 103% and calendar year to date in May 2017 was 101%.
- The 50 unit Mainstream Disabled Voucher program for which funds are allocated dollar for dollar based on utilization is 98% leased.
- The 5 unit Moderate Rehabilitation Single Room Occupancy (SRO) program for which funds are allocated dollar for dollar based on utilization is 60% leased. RHE continues to work with Community Ministries on reaching 60% occupancy of the Mod Rehab units.

Fireside Park

- Occupancy for the month ending May was 97%.
- Demolition work on the fire units continues. Abatement has been completed in one of the three buildings.
- Site Plan application to the City Permitting office has been submitted.
- Weekly conference calls are held to coordinate fire remediation efforts.
- The refinance team has begun to have weekly closing calls with PNC debt and equity teams.

Resident Services Department

May 2018

- 31 PH Participants
- 47 HCV Participants
- YTD – 10 FSS Completion

May Activities

Community

- After school programs Tues/Thurs – “So What Else”
- Monday evening food pantry at 10 PM Celestial Manna
- Friday food pantry with Nourish Now Meeting at 3:30

Upcoming in the Month of June

- RHE will partner with Maryvale Elem. June 7 for the End of School Year Fair/Strengthen Family Initiative.
- Father’s Day event to be held on June 15, 2018.

TAB 3

**Rockville Housing Enterprises
Monthly Financial Statement Review**

Month Ending May 2018

Public Housing Program (PH) (108 PH Units)

The Net Income on the PH Cash Flow Report indicates a negative (\$44,824.80) for the month ending May 2018 and a negative (\$67,641.96) year to date. PH negative year -to-date NOI for month ending May 2018 is due to an decrease in rental receipts received of (\$9,028) and an increase in salaries of \$19,741 due to the June 1 payroll being processed on May 31, 2018 resulting in an additional pay period booked during the month of May. Additionally the final payment for the new software system was made in the amount of \$35,000.

Housing Choice Voucher (HCV) Program (359 Regular Vouchers ; 50 Mainstream Vouchers)

The Administrative (UNA) Unrestricted Net Asset Cash Flow Report indicates a positive Net Operating Income (NOI) of \$14,267.71 for the month ending May 2018 and a positive NOI of \$112,921.74 year to date.

The Housing Assistance Payments (HAP) Net Restricted Asset (NRA) Cash Flow Statement, Indicates a negative NOI of (\$31,640.44) for the month of May and a negative year to date NOI of (\$54,261.23). The negative monthly and year-to-date is due to HAP portable receivables.

Mod Rehab Program (5 Mod Vouchers)

The Mod Rehab Program has a NOI of negative (\$666.33) for the month ending May 2018 and a year to date negative NOI of (\$7,260.98). The negative NOI is due to decrease in HAP subsidy contributions for the month May.

RELP – (56 Low Income Housing Tax Credit Units)

The Income Statement for the month ending May 2018 indicates a negative NOI of (\$12,713.74) and a negative NOI of (\$38,930.03) for the year. The negative NOI for the month is due to a decrease in rental receipts received due to vacancies.

RHE Properties (4 – Affordable Units)

The Income Statement for the month ending May 2018 indicates a negative NOI of (\$1,631.83) and a year to date negative NOI of (195.85). The negative NOI for the month of May is due to a decrease in rental receipts received.

RHE Corp/Dev (RHE-RELP General Partner/Account for non-federal funds)

The cash basis net income is for year to date for month of May 2018 is a positive \$2,035.52. The cash basis net income is for year to date is a positive NOI of \$2,703.06. This entity does not received regular income.

RHE FIRESIDE PARK

Fireside Park had a Net Cash Flow of \$17,359 for the month ending May 2018 and a year to date Net Cash Flow of \$56,350.

Public Housing
Financials
May 2018

RHE - PUBLIC HOUSING
Unaudited Net Assets - 12 Periods
For October 1, 2017 through September 30, 2018

	Budget	October	November	December	January	February	March	April	May	YTD	Variance	
Revenues												
1111.01 RENTAL RECEIPTS	530,000.00	49,512.52	41,704.28	52,786.99	55,924.62	54,500.63	55,431.79	56,464.14	47,436.20	413,761.17	116,238.83	78%
1118.00 FRISBIE DOC - DRAW DOWN									50,000.00	50,000.00	(50,000.00)	#DIV/0!
2500.16 FSS GRANT - 2017	28,000.00	2,365.00	2,365.00	2,365.00	2,344.96	2,451.50	7,334.50	2,451.50	2,439.00	21,584.96	6,415.04	77%
2501.15 ROSS GRANT - 2013ADAMN	57,127.00	4,760.00	15,760.00	4,760.00	4,760.00	4,760.00	4,760.00	12,560.00	4,760.00	56,536.00	601.00	99%
2502.15 ROSS GRANT - 2013ADAMN	5,000.00								1,000.00			0%
3120.01 RELF ASSET MGMT FEE EARNED	24,000.00											#DIV/0!
3400.50 NSF FEES	50.00											0%
3600.00 HUD GRANTS ROSS									50.00			0%
3600.00 INTEREST REVENUE - INVESTMENTS	10.00		1.63	2.29	0.83	0.73	2.24		1.62			0%
3600.09 OTHER INCOME	3,500.00								9.34			93%
3600.10 PROPERTY MGMT FEE	77,100.00		6,612.00	6,612.00	13,265.08	6,507.22				33,996.30	44,103.70	43%
3600.11 MAINTENANCE FEES	14,000.00		971.15	961.18	3,018.84	1,564.97	2,798.79	1,119.00	1,515.85	11,649.78	2,350.22	83%
3600.13 FSS ESCROW FORFEITURES		4,102.23								4,102.23	(4,102.23)	#DIV/0!
3600.16 INSURANCE REIMBURSEMENT												#DIV/0!
3600.17 CAPITAL FUND OPER-2013												#DIV/0!
3600.18 CAPITAL FUND OPER-2015												#DIV/0!
3600.22 CAPITAL FUND OPER-2016												#DIV/0!
3600.23 CAPITAL FUND OPER-2017												#DIV/0!
3600.27 CDHG	133,335.00									3,509.00	(3,509.00)	79%
3600.27 CDHG	55,000.00									106,423.84	28,928.16	0%
3600.27 APPLICATION FEE												
3600.27 RHF FINDING FRISBIE RE-DEVELOPMENT												
3600.27 WATER GRANT (TOILETS)	500,000.00	42,716.00	42,272.00	43,580.00	39,755.00	39,755.00	39,755.00	50,000.00	79,000.00	376,833.00	133,167.00	75%
3600.27 OPERATING SUBSIDY												
Total Revenues	1,587,289.00	123,066.75	128,810.76	192,010.76	118,915.33	106,788.55	110,102.32	122,294.64	227,576.51	1,128,565.62	458,723.38	71%
Expenses												
4110.00 ADMINISTRATIVE SALARIES	272,155.00	33,508.88	43,649.41	52,732.83	34,903.55	24,686.50	13,802.35	25,318.21	36,429.20	266,111.11	6,043.89	98%
4110.05 SALARIES-ROSS GRANT	23,500.00	1,748.08	2,622.12	2,875.08	1,748.08	1,973.08	1,748.08	2,198.08	2,622.12	17,532.72	5,867.28	75%
4110.05 SALARIES-ROSS GRANT	40,941.00	2,352.63	4,658.65	1,552.88	3,105.77	3,105.78	3,105.78	3,580.77	4,658.65	26,120.91	14,820.09	64%
4540.01 EMPLOYEE BENEFITS CONTRIBUTION	61,553.00	6,319.97	14,879.35	12,447.29	18,334.91	15,253.10	14,025.19	10,867.95	10,957.12	103,068.88	(41,553.88)	168%
4540.02 EMPLOYEE BENEFITS CONTRIBUTION-ROSS	4,256.00	238.78	301.36	334.85	408.66	385.94	268.05	268.34	233.91	2,459.89	1,796.11	57%
4600.00 MAINTENANCE SALARIES	12,716.00	361.88	719.50	224.20	584.72	463.61	412.58	474.24	435.98	3,676.71	12,509.29	23%
4600.00 MAINTENANCE BENEFITS	132,744.00	11,448.76	16,462.97	9,793.37	11,069.67	10,752.14	10,027.33	9,583.99	18,214.24	97,352.47	34,921.53	74%
4610.03 MERIT AWARD	30,580.00											0%
4610.03 RESIDENT SERVICES	2,500.00											0%
4610.00 LEGAL EXPENSE	3,000.00	87.83		727.00	2,895.00	301.03	612.00		76.98	465.84	2,534.16	16%
4610.00 STAFF TRAINING	25,000.00	1,502.00							5,756.00	19,254.00	19,254.00	23%
4610.00 TRAVEL	15,100.00	122.37	125.00	1,851.50		1,161.98	2,253.00	5,124.81	64.49	10,707.15	4,392.55	71%
4610.00 PUBLICATIONS	150.00											0%
4610.00 DONATIONS												0%
4610.00 SCHOLARSHIP CONTRIBUTION	1,500.00											0%
4610.00 OTHER CONSULTANTS-FINANCIAL	15,000.00	1,007.50	3,802.50	14,651.92	6,727.50	314.50	2,371.80	2,983.00	5,572.15	35,081.07	(20,081.07)	234%
4610.00 OTHER CONSULTANTS (NON-FINANCIAL)		3,791.03	3,230.78		977.50	555.00			1,557.00	12,443.11	(12,443.11)	#DIV/0!
4610.02 OTHER CONSULTANTS - ROSS HO	15,000.00	1,320.00	2,378.75	1,347.50	1,100.00	2,186.25	1,565.00	1,000.00	935.00	11,652.50	(11,652.50)	#DIV/0!
4610.04 OTHER ACCOUNTING SVCS-FINANCE												0%
4610.05 PAYROLL SERVICES	7,000.00	507.16	766.07	640.01	918.95	744.50	566.20	552.40	844.40	5,539.69	15,000.00	0%
4610.05 PETTY CASH	900.00	157.38								157.38	34.62	31%
4610.05 AUDITING FEES	22,000.00											0%
4610.00 OFFICE RENT	57,000.00	6,162.76		7,499.60	6,162.76	6,162.76	4,299.60	4,299.60	4,299.60	38,886.68	18,113.32	68%
4610.01 OFFICE UTILITIES	6,000.00			1,724.21	738.60	723.54	252.93	235.91	242.04	3,937.23	2,062.77	66%
4610.01 OFFICE FURNITURE	1,500.00											0%
4610.01 STUNDT - ADMINISTRATIVE												0%
4610.01 BANK FEES	500.00	92.00	20.00	20.00	20.00	20.00	20.00	22.99	50.00	22.99	(22.99)	#DIV/0!
4610.02 REAL DISCOUNTS	3,000.00									562.00	238.00	52%
4610.02 TELEPHONE EXPENSES	15,000.00	1,179.63	1,561.08	1,172.86	1,582.97	1,581.70	1,755.00	1,138.26	1,263.41	9,750.91	2,825.00	6%
4610.04 COMPUTER EQUIPMENT & SUPPORT	5,000.00									9,750.91	5,249.19	65%
4610.04 MONTHLY ADMIN FEES	900.00	100.00								36,025.29	(31,025.29)	721%
4610.05 SOFTWARE EXPENSES	6,500.00									650.00	250.00	72%
4610.06 NEW SOFTWARE PURCHASE	58,360.00									351,880.00	(28,680.00)	541%
4610.07 POSTAGE	5,500.00											0%
4610.07 ADVERTISING	500.00	1,112.84		350.00	500.00	942.98	380.00	126.00	660.08	4,041.90	1,458.10	73%
4610.07 HTG & A/C PARTS												0%
4610.09 OFFICE EXPENSES	12,000.00	1,242.50	1,248.91	3,679.03	3,712.08	704.51	430.30	196.72	1,534.13	12,838.18	(838.18)	107%
4610.13 COPIER EXPENSES	4,000.00	828.09		287.29	439.10	270.00	1,697.71	189.00	206.10	3,479.29	530.71	87%
4610.15 MEMBERSHIP DUES	3,600.00	95.00		1,000.00		474.50			2,069.50	1,530.50	1,530.50	57%
4610.17 CHARNAL RECORDS CHECK	2,000.00	22.90	189.20		219.25	35.85	321.65		56.75	845.60	1,154.40	42%

4190.19	COPPER RENTAL	Budget	October	November	December	January	February	March	April	May	YTD	Variance
4190.20	DOCUMENT SHREDDING	6,000.00	694.30	117.70	694.30	694.30	486.01	486.01	486.01	805.51	4,346.44	1,653.56
4190.24	FINANCE FEES	1,000.00			117.70	176.55	82.39		123.59	41.19	700.31	209.69
4190.25	COMM CTR RENTND	600.00			162.74		10.71	41.19			173.45	426.55
4300.01	WATER	60,000.00	11,425.56	65.03	3,368.91	6,943.73	2,579.31	2,229.71	2,294.35	3,808.34	33,014.94	26,985.06
4300.01	SEWER	60,000.00	9,723.39	102.07	5,127.17	10,417.84	4,082.65	5,791.41	4,276.93	2,227.95	39,749.41	20,250.59
4300.00	ELECTRICITY	75,000.00	5,191.92	4,380.59	4,656.78	5,191.92	4,586.67	5,586.67	5,016.98	4,379.08	37,720.48	37,270.52
4300.00	GAS	4,500.00	(12.82)	4.96	1,060.76	430.53	942.95	512.64	956.83	345.57	4,221.42	278.58
4340.00	FUEL	5,000.00		450.00	377.26	591.37	54.51	207.15	173.90	135.45	1,979.64	3,020.36
4400.00	ELECTRICAL CONTRACT											
4420.01	MATERIALS	2,000.00										
4420.01	JANITORIAL SUPPLIES	2,500.00			58.75	28.89		330.00			87.64	1,912.36
4420.02	GROUNDS SUPPLIES-EQUIPMENT		76.95	164.19					571.14		571.14	1,928.86
4420.03	APPLIANCE SUPPLIES											
4420.04	HARDWARE SUPPLIES	15,000.00	889.12	134.41	1,710.11	197.63	180.79	134.95	427.25	775.92	4,450.18	10,549.82
4420.05	PAINTING SUPPLIES	800.00				14.92			329.60	48.70	393.22	406.78
4420.06	PLUMBING SUPPLIES	4,000.00	307.37	136.12	454.85	707.64	372.79		53.42	356.56	2,315.33	1,684.67
4420.07	ELECTRICAL SUPPLIES	5,000.00				53.42					53.42	4,946.58
4420.08	HVAC SUPPLIES	500.00					55.00				55.00	445.00
4420.09	HTG & A/C PARTS	1,000.00	81.10	22.64		81.06		82.45		61.40	328.65	671.35
4420.10	APPLIANCES	10,000.00	4,686.25	1,885.27	2,135.00	1,570.00	4,881.00	680.00			15,837.52	(5,837.52)
4420.11	MAINTENANCE RENTAL EQUIPMENT	500.00								29.98	575.34	(75.34)
4420.12	UNIFORMS - COST & CLEANING	1,000.00			66.00	291.00		545.36		37.00	357.00	643.00
4420.16	REAL ESTATE TAXES											
4420.17	MANAGEMENT SERVICES											
4420.18	APPLIANCES-hot water heater	5,000.00						2,500.00	2,500.00	2,500.00	7,500.00	(7,500.00)
4420.20	SUPPLY RESERVE	500.00										
4430.00	GENERAL CONTRACT COST	15,000.00		2,505.00						5,815.00	8,320.00	500.00
4430.02	MOLD HAZARD INSPECTION	3,000.00										6,680.00
4430.03	LEAD BASED PAINT INSPECTION FEES	3,000.00										3,000.00
4430.04	REAC INSPECTION REPAIRS											
4430.05	ELECTRICAL EQUIPMENT	1,500.00										
4430.06	EXTERMINATION CONTRACT	12,000.00	770.00	420.00	1,030.00	1,509.00	760.00	1,310.00	860.00	157.00	157.00	1,343.00
4430.07	PAINTING CONTRACT	3,000.00		1,055.00	6,500.00	3,095.00	3,215.00	868.00	1,350.00	420.00	7,079.00	4,921.00
4430.08	PLUMBING CONTRACTS	35,000.00	1,173.00	570.13	2,220.00	1,535.51	506.99	79.42	133.78	360.00	13,865.00	(10,865.00)
4430.12	HTG & A/C REPAIRS - CONTRACT	4,000.00	40.00				77.64	156.00			6,578.83	3,421.17
4430.13	VEHICLE REPAIRS	4,000.00									273.64	3,726.36
4430.14	MOVES/EVCTIONS	1,000.00									875.00	125.00
4430.16	STORAGE	1,700.00	132.00		264.00	875.00	132.00	132.00	132.00	132.00	1,056.00	644.00
4430.17	SNOW REMOVAL	5,000.00						2,618.75			5,468.75	(468.75)
4430.18	HOTEL/EMERGENCY MAINT	2,000.00			225.98						225.98	1,774.02
4430.20	LEAD BASED INSPECTION	5,000.00	132.00	564.00		572.00	568.00	3,150.00			4,986.00	14.00
4430.21	UNIT TURNAROUND	10,000.00			1,511.30	88.20	203.40	215.40	473.04	135.00	1,511.30	8,488.70
4440.00	GARBAGE & TRASH REMOVAL	2,000.00			540.60	144.00					1,655.64	344.36
4480.00	PROTECTIVE SERVICES	1,000.00	72.00	209.58	209.58	358.00					425.58	574.42
4500.00	UMP EXPENSES	10,000.00	795.78	958.49	349.00		439.00	439.00	362.00	386.00	4,087.27	5,912.73
4510.10	PROPERTY INSURANCE	18,000.00										18,000.00
4510.11	INSURANCE - GENERAL LIABILITY											
4510.12	INSURANCE - WC											
4510.20	PIYATIS IN LIEU OF TAXES	23,000.00			6,813.15						6,813.15	16,186.85
4570.00	COLLECTION LOSS											
4590.00	OTHER GENERAL EXPENSES											
4590.01	MONTGOMERY GRANT ALLIANCE											
4590.04	WATER GRANT (TOILETS)											
4590.04	EXTRAORDINARY MAINTENANCE	28,000.00			3,429.23					6,120.00	9,549.23	18,450.77
4610.02	CAPITAL FUND EXP									2,010.04	2,010.04	(2,010.04)
4610.03	FIRESIDE RESERVE DEPOSIT EXP									50,000.00	50,000.00	
4700.00	FSS RESCROW CONTRIBUTIONS	45,000.00	2,448.00	1,137.00	2,145.00	1,059.61	3,239.00	3,233.00	12,858.86	12,385.00	39,395.47	5,604.53
4718.00	TENANT RELOCATION											
7540.02	FURNANCE REPLACEMENT											
7540.03	SECURITY CAMERA REPAIRS											
7540.04	EXTERIOR LIGHTING	1,000.00	1,109.00					1,937.00				
7540.06	CIRCUIT BREAKER REPLACEMENTS											
7540.07	509 BECKFORD											
7540.08	SMOKE DETECTORS											
7540.09	CODIG WATER HEATERS	55,000.00										
7540.11	FIRESIDE PRE-DEV EXP	158,150.00	26,289.85	9,515.39	12,435.00	11,950.92	875.00	7,543.84	3,000.00	1,561.00	73,171.00	(55,000.00)
	FIRESIDE - CITY LOAN INTEREST											(36,200.00)
	Total Expenses	1,582,255.00	128,619.13	128,997.33	207,896.59	146,318.11	108,842.14	98,973.87	105,159.10	272,401.31	1,197,207.58	385,047.42
	Net Income	5,034.00	(6,552.38)	(186.57)	(15,885.83)	(27,402.78)	(2,053.59)	11,128.45	17,715.54	(44,824.80)	(67,641.96)	72,675.96
												-1344%

RHE - PUBLIC HOUSING 2018
Admin Cash Flow
For the Eight Months Ending May 31, 2018

		Current Month	Year to Date
Revenues			
1111.01	RENTAN RECEIPTS	\$ 47,436.20	\$ 413,761.17
1118.00	FIRESIDE LOC - DRAW DOWN	50,000.00	50,000.00
2500.16	FSS GRANT - 2016	2,439.00	21,584.96
2501.15	ROSS GRANT-2015	4,760.00	49,026.00
2601.15	ROSS GRANT 2015 ADMIN	1,000.00	8,500.00
3610.00	INTEREST REVENUE - INVESTMENTS	1.62	9.34
3690.09	PROPERTY MGMT FEE	-	32,996.30
3690.10	MAINTENANCE FEES	1,515.85	11,649.78
3690.17	CAPITAL FUND OPER-2016	-	3,509.00
3690.18	CAPITAL FUND OPER-2017	41,423.84	106,423.84
3690.80	RHF FUNDS FIRESIDE RE-DEVELOPM	-	51,170.00
3690.98	INSURANCE REIMB	-	4,102.23
8020.00	OPERATING SUBSIDY	79,000.00	376,833.00
	Total Revenues	227,576.51	1,129,565.62
	Gross Profit	227,576.51	1,129,565.62
Expenses			
4110.00	ADMINSTRATIVE SALARIES	36,429.20	266,111.11
4110.05	SALARIES - FSS GRANT	2,622.12	17,532.72
4110.06	SALARIES - ROSS GRANT	4,658.65	26,120.91
4120.00	RESIDENT SERVICES	76.98	465.84
4130.00	LEGAL EXPENSE	-	5,736.00
4140.00	STAFF TRAINING	64.49	10,707.15
4167.00	OTHER CONSULTANTS	5,572.15	35,081.07
4167.01	OTHER CONSULTANTS-CONTRACTS	1,557.00	12,443.11
4167.02	OTHER CONSULT - ROSS HO	935.00	11,632.50
4170.04	PAYROLL SERVICES	844.40	5,539.69
4170.05	PETTY CASH	-	157.38
4180.00	OFFICE RENT	4,299.60	38,886.68
4180.01	OFFICE UTILITIES	242.04	3,937.23
4190.00	SUNDRY - ADMINSTRATIVE	-	22.99
4190.01	BANK FEES	50.00	262.00
4190.02	REAC INSPECTIONS	-	175.00
4190.03	TELEPHONE EXPENSES	1,263.41	9,750.81
4190.04	COMPUTER EQUIPMENT & SUPPORT	35,180.00	36,025.29
4190.05	MONTHLY ADMIN FEES	70.00	650.00
4190.06	SOFTWARE EXPENSES	-	35,180.00
4190.07	POSTAGE	660.08	4,041.90
4190.10	OFFICE EXPENSES	1,524.13	12,838.18
4190.13	COPIER EXPENSES	296.10	3,479.29
4190.15	MEMBERSHIP DUES	-	2,069.50
4190.16	BANK FEES	-	173.45
4190.17	CRIMINAL RECORDS CHECK	56.75	845.60
4190.19	COPIER RENTAL	805.51	4,346.44
4190.20	DOCUMENT SHREDDING	41.19	700.31
4310.00	WATER	3,808.34	33,014.94
4310.01	SEWER	2,227.95	39,749.41
4320.00	ELECTRICIRTY	4,379.08	37,720.48
4330.00	GAS	345.57	4,221.42
4340.00	FUEL	125.45	1,979.64
4400.00	MAINTENANCE SALARIES	18,214.24	97,352.47
4420.01	JANITORIAL SUPPLIES	-	87.64
4420.02	GROUND SUPPLIES	-	571.14
4420.04	HARDWARE SUPPLIES	775.92	4,450.18
4420.05	PAINTING SUPPLIES	48.70	393.22
4420.06	PLUMBING SUPPLIES	356.56	2,315.33
4420.07	ELECTRICAL SUPPLIES	-	53.42
4420.08	HVAC SUPPLIES	-	55.00
4420.09	HTG & A/C PARTS	61.40	328.65
4420.10	APPLIANCES	-	15,837.52
4420.12	MAINTENANCE RENTAL EQUIPMENT	29.98	575.34
4420.13	UNIFORMS - COST & CLEANING	-	357.00
4420.17	MANAGEMENT SERVICES	2,500.00	7,500.00
4430.00	GENERAL CONTRACT COST	5,815.00	8,320.00

		Current Month	Year to Date
4430.05	ELECTRICAL EQUIPMENT	157.00	157.00
4430.06	EXTERMINATION CONTRACT	420.00	7,079.00
4430.07	PAINTING CONTRACT	-	13,865.00
4430.08	PLUMBING CONTRACTS	-	2,218.00
4430.12	HTG & A/C REPAIRS - CONTRACT	360.00	6,578.83
4430.13	VEHICLE REPAIRS	-	273.64
4430.14	MOVERS/EVICTIONS	-	875.00
4430.16	STORAGE	132.00	1,056.00
4430.17	SNOW REMOVAL	-	5,468.75
4430.18	HOTEL/EMERGENCY MAINT	-	225.98
4430.20	LEAD PAINT INSPECTION	-	4,986.00
4430.51	UNIT TURNAROUND	-	1,511.30
4431.00	GARBAGE & TRASH REMOVAL	135.00	1,655.64
4480.00	PROTECTIVE SERVICES	-	425.58
4500.00	URP EXPENSES	386.00	4,087.27
4510.20	PYMTS IN LIEU OF TAXES	-	6,813.15
4540.00	EMPLOYEE BENEFITS CONTRIBUTION	10,957.12	103,086.88
4540.01	EMPLOYEE BENEFITS-FSS	233.91	2,429.89
4540.02	EMPLOYEE BENEFITS-ROSS	435.98	3,676.71
4610.02	EXTRAORDINARY MAINTENANCE	6,120.00	9,549.23
4610.03	CAPITAL FUND EXP	2,010.04	2,010.04
4700.00	FIRESIDE RESERVE DEPOSIT EXP	50,000.00	50,000.00
4718.00	FSS ESCROW CONTRIBUTIONS	12,385.00	39,395.47
6190.19	TENANT RELOCATION	-	2,600.00
7540.03	SECURITY CAMERA REPAIRS	-	3,046.00
7540.09	Fireside Pre-Development Exp	1,561.00	73,171.00
7540.11	FIRESIDE - CITY LOAN INTEREST	51,171.27	51,171.27
	Total Expenses	272,401.31	1,197,207.58
	Net Income	\$ (44,824.80)	\$ (67,641.96)

RHE - PUBLIC HOUSING 2018
Income Statement
For the Eight Months Ending May 31, 2018

		Current Month	Year to Date
Revenues			
2500.16	FSS GRANT - 2016	\$ 2,439.00	\$ 21,584.96
2501.15	ROSS GRANT-2015	4,760.00	49,026.00
2601.15	ROSS GRANT 2015 ADMIN	1,000.00	8,500.00
3110.00	DWELLING RENTALS	48,427.00	388,526.16
3120.00	EXCESS UTILITIES	1,094.14	11,459.91
3610.00	INTEREST REVENUE - INVESTMEN	1.62	9.34
3690.00	OTHER INCOME	1,302.97	5,243.56
3690.01	LATE CHARGES	918.00	5,314.49
3690.09	PROPERTY MGMT FEE	0.00	32,996.30
3690.10	MAINTENANCE FEES	1,515.85	11,649.78
3690.17	CAPITAL FUND OPER-2016	0.00	3,509.00
3690.18	CAPITAL FUND OPER-2017	41,423.84	106,423.84
3690.80	RHF FUNDS FIRESIDE RE-DEVELOP	0.00	51,170.00
3690.98	INSURANCE REIMB	0.00	4,102.23
8020.00	OPERATING SUBSIDY	79,000.00	376,833.00
	Total Revenues	181,882.42	1,076,348.57
	Gross Profit	181,882.42	1,076,348.57
Expenses			
4110.00	ADMINISTRATIVE SALARIES	36,429.20	266,111.11
4110.05	SALARIES - FSS GRANT	2,622.12	17,532.72
4110.06	SALARIES - ROSS GRANT	4,658.65	26,120.91
4120.00	RESIDENT SERVICES	76.98	465.84
4130.00	LEGAL EXPENSE	0.00	5,736.00
4140.00	STAFF TRAINING	64.49	10,707.15
4167.00	OTHER CONSULTANTS	5,572.15	35,081.07
4167.01	OTHER CONSULTANTS-CONTRACT	1,557.00	12,443.11
4167.02	OTHER CONSULT - ROSS HO	935.00	11,632.50
4170.04	PAYROLL SERVICES	844.40	5,539.69
4170.05	PETTY CASH	0.00	157.38
4180.00	OFFICE RENT	4,299.60	38,886.68
4180.01	OFFICE UTILITIES	242.04	3,937.23
4190.00	SUNDRY - ADMINISTRATIVE	0.00	22.99
4190.01	BANK FEES	50.00	262.00
4190.02	REAC INSPECTIONS	0.00	175.00
4190.03	TELEPHONE EXPENSES	1,263.41	9,750.81
4190.04	COMPUTER EQUIPMENT & SUPPOR	35,180.00	36,025.29
4190.05	MONTHLY ADMIN FEES	70.00	650.00
4190.06	SOFTWARE EXPENSES	0.00	35,180.00
4190.07	POSTAGE	660.08	4,041.90
4190.10	OFFICE EXPENSES	1,524.13	12,838.18
4190.13	COPIER EXPENSES	296.10	3,479.29
4190.15	MEMBERSHIP DUES	0.00	2,069.50
4190.16	BANK FEES	0.00	173.45
4190.17	CRIMINAL RECORDS CHECK	56.75	845.60
4190.19	COPIER RENTAL	805.51	4,346.44
4190.20	DOCUMENT SHREDDING	41.19	700.31
4310.00	WATER	3,808.34	33,014.94
4310.01	SEWER	2,227.95	39,749.41
4320.00	ELECTRICITY	4,379.08	37,720.48
4330.00	GAS	345.57	4,221.42
4340.00	FUEL	125.45	1,979.64
4400.00	MAINTENANCE SALARIES	18,214.24	97,352.47
4420.01	JANITORIAL SUPPLIES	0.00	87.64
4420.02	GROUND SUPPLIES	0.00	571.14
4420.04	HARDWARE SUPPLIES	775.92	4,450.18
4420.05	PAINTING SUPPLIES	48.70	393.22

For Management Purposes Only

RHE - PUBLIC HOUSING 2018
Income Statement
For the Eight Months Ending May 31, 2018

	Current Month	Year to Date
4420.06 PLUMBING SUPPLIES	356.56	2,315.33
4420.07 ELECTRICAL SUPPLIES	0.00	53.42
4420.08 HVAC SUPPLIES	0.00	55.00
4420.09 HTG & A/C PARTS	61.40	328.65
4420.10 APPLIANCES	0.00	15,837.52
4420.12 MAINTENANCE RENTAL EQUIPME	29.98	575.34
4420.13 UNIFORMS - COST & CLEANING	0.00	357.00
4420.17 MANAGEMENT SERVICES	2,500.00	7,500.00
4430.00 GENERAL CONTRACT COST	5,815.00	8,320.00
4430.05 ELECTRICAL EQUIPMENT	157.00	157.00
4430.06 EXTERMINATION CONTRACT	420.00	7,079.00
4430.07 PAINTING CONTRACT	0.00	13,865.00
4430.08 PLUMBING CONTRACTS	0.00	2,218.00
4430.12 HTG & A/C REPAIRS - CONTRACT	360.00	6,578.83
4430.13 VEHICLE REPAIRS	0.00	273.64
4430.14 MOVERS/EVICTIONS	0.00	875.00
4430.16 STORAGE	132.00	1,056.00
4430.17 SNOW REMOVAL	0.00	5,468.75
4430.18 HOTEL/EMERGENCY MAINT	0.00	225.98
4430.20 LEAD PAINT INSPECTION	0.00	4,986.00
4430.51 UNIT TURNAROUND	0.00	1,511.30
4431.00 GARBAGE & TRASH REMOVAL	135.00	1,655.64
4480.00 PROTECTIVE SERVICES	0.00	425.58
4500.00 URP EXPENSES	386.00	4,087.27
4510.10 INSURANCE - PROPERTY	804.45	(1,366.35)
4510.11 INSURANCE - GENERAL LIABILITY	804.45	6,435.60
4510.12 INSURANCE - WORKERS COMP	804.45	6,435.60
4510.20 PYMTS IN LIEU OF TAXES	0.00	6,813.15
4540.00 EMPLOYEE BENEFITS CONTRIBUTI	10,957.12	103,086.88
4540.01 EMPLOYEE BENEFITS-FSS	233.91	2,429.89
4540.02 EMPLOYEE BENEFITS-ROSS	435.98	3,676.71
4610.02 EXTRAORDINARY MAINTENANCE	6,120.00	9,549.23
4610.03 CAPITAL FUND EXP	2,010.04	2,010.04
4700.00 FIRESIDE RESERVE DEPOSIT EXP	50,000.00	50,000.00
4718.00 FSS ESCROW CONTRIBUTIONS	12,385.00	39,395.47
6190.19 TENANT RELOCATION	0.00	2,600.00
7540.03 SECURITY CAMERA REPAIRS	0.00	3,046.00
7540.09 Fireside Pre-Development Exp	1,561.00	73,171.00
7540.11 FIRESIDE - CITY LOAN INTEREST	51,171.27	51,171.27
Total Expenses	<u>274,814.66</u>	<u>1,208,712.43</u>
Net Income	\$ <u>(92,932.24)</u>	\$ <u>(132,363.86)</u>

RHE - PUBLIC HOUSING 2018

Balance Sheet

May 31, 2018

ASSETS

Current Assets

RHE GEN FUND	\$	224,538.65
RHE PAYROLL		(4,842.01)
RHE SECURITY DEPOSIT		49,265.46
FSS ESCROW		95,621.74
GEN FUND INVESTMENTS		28,942.13
PETTY CASH		306.10
ACCOUNTS RECEIVABLE TENANTS		8,010.86
ALLOWANCE FOR DOUBTFUL ACCT		(2,765.55)
NON-CURRENT NOTES RECEIVABLE		161,103.45
REPAYMENT AGREEMENTS		3,794.93
ALLOWANCE FOR REPAYMENT AG		(2,159.97)
ACCOUNTS RECEIVABLE MS		8,604.00
ACCOUNTS RECEIVABLE - VOUCHE		36,272.36
ACCOUNTS RECEIVABLE - RELP		173.62
ACCOUNTS RECEIVABLE - RHE DEV		6,735.52
A/ R INTERFUND		(13,505.94)
ACCRUED INTEREST RECEIVABLE		6,274.04
OTHER		2,186.00

Total Current Assets		608,555.39
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Property and Equipment

LAND	424,235.00
BUILDING	11,278,855.10
DWELLING EQUIPMENT	88,137.00
OFFICE FURNITURE & EQUIPMENT	144,791.12
ACCUMULATED DEPRECIATION	(8,897,346.20)

Total Property and Equipment		3,038,672.02
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Other Assets

PREPAID INSURANCE	2,413.44
PREPAID SUPPORT	13,164.80

Total Other Assets		15,578.24
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Total Assets	\$	3,662,805.65
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LIABILITIES AND CAPITAL

Current Liabilities

VENDORS & CONTRACTS	\$	4,801.24
TENANTS SECURITY DEPOSITS		48,148.41
PAYROLL DEDUCTIONS		4,159.64
PAYROLL DEDUCTION - OTHER		46,165.66
PAYROLL DEDUCTION AFLAC FLEX		2,420.68
PAYROLL - THIRD PARTY PYMTS		508.44
GARNISHMENTS		674.89
ACCOUNTS PAYABLE - COLUMBIA		50,000.00
ACCOUNTS PAYABLE - HCV		28,812.83
ACCOUNTS PAYABLE - RHE CORP		6,735.52
ACCOUNTS PAYABLE-FIRESIDE		4.00
ACCOUNTS PAYABLE - RELP		25.00
ACCRUED PAYROLL		25,503.79
COMPENSATED ABSENCES		5,180.20
COMPENSATED ABSENCES - NONCU		46,624.10
FSS ESCROW		101,126.52
TENANTS PREPAID RENT		7,284.99

Unaudited - For Management Purposes Only

RHE - PUBLIC HOUSING 2018
Balance Sheet
May 31, 2018

Total Current Liabilities		<u>378,175.91</u>
Total Liabilities		<u>378,175.91</u>
Capital		
INVESTED IN CAPITAL ASSETS NET	3,038,671.96	
UNRESTRICTED NET POSITION - AD	266,813.19	
RESTRICTED NET ASSETS - HAP	111,508.45	
Net Income	<u>(132,363.86)</u>	
Total Capital		<u>3,284,629.74</u>
Total Liabilities & Capital	\$	<u><u>3,662,805.65</u></u>

Housing Choice
Voucher Program

Financials

May 2018

RHE - HCV
Unrestricted Net Assets - 12 Periods
For October 1, 2017 through September 30, 2018

	BUDGET	October	November	December	January	February	March	April	May	YTD	Variance	
FSS GRANT CONTRIBUTIONS	28,000.00	2,365.00	2,365.00	2,365.00	2,244.96		7,354.50	2,451.50	2,439.00	21,584.96	6,415.04	77%
ADMIN FEES	295,000.00	24,641.00	34,486.00	34,486.00	29,042.00	29,042.00	29,241.00	29,241.00	29,605.00	239,784.00	55,216.00	81%
ADMIN FEE - MAINSTREAM										-	-	#DIV/0!
ADMIN FEES - MOD REHAB										-	-	#DIV/0!
ADMIN FEE - PORT IN	8,400.00	1,343.12	1,078.75	699.79	631.60	821.08	1,013.92	697.18	1,590.28	7,875.72	524.28	94%
Total Revenues	331,400.00	28,349.12	37,929.75	37,550.79	31,918.56	29,863.08	37,609.42	32,389.68	33,634.28	269,244.68	62,155.32	81%
Gross Profit	331,400.00	28,349.12	37,929.75	37,550.79	31,918.56	29,863.08	37,609.42	32,389.68	33,634.28	269,244.68	62,155.32	81%
ADMINISTRATIVE SALARIES	137,163.00	10,499.13	12,615.48	12,822.70	10,429.15	10,550.35	10,374.92	11,228.66	10,382.17	88,902.56	48,260.44	65%
ADMIN SALARIES-FSS COORDINATOR	32,901.00	1,748.08	2,622.12	2,873.08	1,748.08	1,973.08	1,748.08	2,198.08	1,748.08	16,658.68	16,242.32	51%
ADMIN SALARIES - HOMEOWNERSHIP										-	-	#DIV/0!
EMPLOYEE BENEFITS CONTRIBUTION	32,569.00	1,593.71	1,615.67	3,335.97	2,603.79	1,870.07	4,014.89	3,642.45	3,179.65	21,856.20	10,712.80	67%
FSS COORDINATOR - BENEFITS	825.00	238.78	301.36	324.84	408.66	385.93	268.04	268.34	629.23	2,825.18	(2,000.18)	342%
MERIT AWARD	750.00									-	750.00	0%
LEGAL EXPENSE	5,000.00									-	5,000.00	0%
STAFF TRAINING	8,200.00			449.50			1,450.00	1,048.75		2,948.25	5,251.75	36%
TRAVEL									98.99	98.99	(98.99)	#DIV/0!
OTHER CONSULTANTS/OC STAFF SUPP	15,000.00					126.75	250.00	458.25		835.00	14,165.00	6%
HCV OTHER CONSULTANT (Non-Financial)		776.48	661.73							1,438.21	(1,438.21)	0%
FEE ACCOUNTANT/FINANCE CONSULT	3,000.00									-	3,000.00	0%
PETTY CASH										-	-	#DIV/0!
AUDITING FEES	5,292.00									-	5,292.00	0%
OFFICE RENT	27,060.00			2,023.37			1,863.16	1,863.16	1,863.16	7,612.85	19,447.15	28%
OFFICE - UTILITIES	2,600.00			185.69		109.18	109.60	202.13	101.16	707.76	1,892.24	27%
OFFICE FURNITURE	1,500.00									-	1,500.00	0%
SUNDRY - ADMINISTRATIVE										-	-	#DIV/0!
BANK FEES	700.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	160.00	540.00	23%
HQS INSPECTIONS	12,000.00		665.00	4,147.00	1,589.00	228.00		41.90		6,670.90	5,329.10	56%
TELEPHONE EXPENSES	5,500.00			400.83			116.10	487.82	541.46	1,546.21	3,953.79	28%
COMPUTER EQUIPMENT & SUPPORT	2,000.00					346.29	346.29	(346.29)		346.29	1,653.71	17%
MONTHLY ADMIN FEES	400.00			30.00		30.00	30.00	30.00	30.00	150.00	250.00	38%
SOFTWARE EXPENSES	6,500.00									-	6,500.00	0%
POSTAGE	2,000.00			150.00			150.00	53.99	282.90	636.89	1,363.11	32%
ADVERTISING	200.00									-	200.00	0%
OFFICE EXPENSES	3,400.00			202.76		112.75				315.51	3,084.49	9%
COPIER EXPENSES	2,000.00			81.00			501.31	81.00	126.90	790.21	1,209.79	40%
MEMBERSHIP DUES	1,300.00					289.07				289.07	1,010.93	22%
CRIMINAL RECORDS CHECK	3,200.00			142.40						142.40	3,057.60	4%
COPIER RENTAL	3,000.00			208.29		208.29	208.29	208.29	345.21	1,178.37	1,821.63	39%
DOCUMENT SHREDDING	500.00					35.31	17.66	52.96	17.66	123.59	376.41	25%
NEW SOFTWARE PURCHASE	12,000.00									-	-	#DIV/0!
OFFICE EQUIPMENT										-	-	#DIV/0!
WATER										-	-	#DIV/0!
ELECTRICITY										-	-	#DIV/0!
GAS										-	-	#DIV/0!
OTHER UTILITIES EXPENSE										-	-	#DIV/0!
MAINTENANCE SALARIES										-	-	#DIV/0!
MATERIALS										-	-	#DIV/0!
CONSUMABLE JANITORIAL SUPPLIES	100.00									-	-	#DIV/0!
HARDWARE SUPPLIES										-	100.00	0%
PLUMBING SUPPLIES										-	-	#DIV/0!
ELECTRICAL SUPPLIES										-	-	#DIV/0!
UNIFORMS - COST & CLEANING										-	-	#DIV/0!
OTHER REAL ESTATE TAXES										-	-	#DIV/0!
CONTRACT COST										-	-	#DIV/0!
GROUNDWORK CONTRACT										-	-	#DIV/0!
ELECTRICAL EQUIPMENT										-	-	#DIV/0!
EXTERMINATION CONTRACT										-	-	#DIV/0!
PAINTING CONTRACT										-	-	#DIV/0!
PLUMBING CONTRACTS										-	-	#DIV/0!
HTG & A/C REPAIRS - CONTRACT										-	-	#DIV/0!
STORAGE	500.00									-	500.00	0%
UNIT TURNAROUND										-	-	#DIV/0!
PROTECTION SERVICES	1,000.00			89.82						89.82	910.18	9%
INSURANCE - GENERAL LIABILITY	2,000.00									-	2,000.00	0%
PYMTS IN LIEU OF TAXES										-	-	#DIV/0!
COMPENSATED ABSENCES										-	-	#DIV/0!
PETTY CASH	750.00									-	750.00	0%
Total Expenses	330,910.00	14,876.18	18,501.36	27,487.25	16,798.68	16,285.07	21,468.34	21,539.49	19,366.57	156,322.94	174,587.06	47%
Net Income	490.00	13,472.94	19,428.39	10,063.54	15,119.88	13,578.01	16,141.08	10,850.19	14,267.71	112,921.74	(112,431.74)	23045%

RHE - HCV
NRA - 12 Periods
For October 1, 2017 through September 30, 2018

	BUDGET	October	November	December	January	February	March	April	May	YTD	Variance	
PORT IN		19,711.00	15,673.00	10,077.00	9,552.00	13,874.00	16,196.00	10,526.00	26,344.00	121,953.00	(121,953.00)	#DIV/0!
FSS FORFEITURES		1,593.00			(998.00)					595.00	(595.00)	#DIV/0!
HAP CONTRIBUTION	4,452,925.00	450,231.00	299,685.00	364,264.00	367,919.00	515,519.00	368,399.00	393,234.00	385,992.00	3,145,243.00	1,307,682.00	71%
Total Revenues	4,452,925.00	471,535.00	315,358.00	374,341.00	376,473.00	529,393.00	384,595.00	403,760.00	412,336.00	3,267,791.00	1,185,134.00	73%
Gross Profit	4,452,925.00	471,535.00	315,358.00	374,341.00	376,473.00	529,393.00	384,595.00	403,760.00	412,336.00	3,267,791.00	1,185,134.00	73%
URP EXPENSES	22,000.00	2,615.00	2,394.00	2,944.00	3,220.00	3,195.00	3,602.61	2,234.00	3,907.00	24,111.61	(2,111.61)	110%
HOUSING ASSISTANCE PYMTS	4,350,000.00	331,660.57	356,662.49	333,460.00	351,761.20	387,807.47	347,292.63	342,209.34	360,097.37	2,810,951.07	1,539,048.93	65%
HAP PYMTS - PORT IN		47,787.00	17,863.00	18,251.00	22,095.00	25,251.92	25,454.85	37,177.16	46,284.45	240,164.38	(240,164.38)	#DIV/0!
HAP PYMTS - PORT OUT		26,774.41	24,855.41	22,464.96	22,310.08	31,418.28	24,124.23	25,169.23	28,492.62	205,609.22	(205,609.22)	#DIV/0!
FSS ESCROW CONTRIBUTIONS	72,000.00	7,278.00	5,656.00	6,893.00	(1,090.06)	4,355.00	4,382.00	8,547.01	5,195.00	41,215.95	30,784.05	57%
Total Expenses	4,444,000.00	416,114.98	407,430.90	384,012.96	398,296.22	452,027.67	404,856.32	415,336.74	443,976.44	3,322,052.23	1,121,947.77	75%
Net Income	8,925.00	55,420.02	(92,072.90)	(9,671.96)	(21,823.22)	77,365.33	(20,261.32)	(11,576.74)	(31,640.44)	(54,261.23)	63,186.23	-608%

RHE - HCV 2018
Admin Cash Flow
For the Eight Months Ending May 31, 2018

	Current Month	Year to Date
Revenues		
FSS GRANT CONTRIBUTION	\$ 2,439.00	\$ 21,584.96
ADMIN FEES	29,605.00	239,784.00
ADMIN FEE - PORT IN	1,590.28	7,875.72
Total Revenues	33,634.28	269,244.68
Gross Profit	33,634.28	269,244.68
Expenses		
ADMINISTRATIVE SALARIES	10,382.17	88,902.56
ADMIN SALARIES-FSS COORDINATOR	1,748.08	16,658.68
STAFF TRAINING	0.00	2,948.25
TRAVEL	98.99	98.99
OTHER CONSULTANTS	0.00	835.00
HCV OTHER CONSULT - NON FINANC	0.00	1,438.21
OFFICE RENT	1,863.16	7,612.85
OFFICE - UTILITIES	101.16	707.76
BANK FEES	20.00	160.00
HQS INSPECTIONS	0.00	6,670.90
TELEPHONE EXPENSES	541.46	1,546.21
COMPUTER EQUIPMENT & SUPPORT	0.00	346.29
MONTHLY ADMIN FEES	30.00	150.00
POSTAGE	282.90	636.89
OFFICE EXPENSES	0.00	315.51
COPIER EXPENSES	126.90	790.21
MEMBERSHIP DUES	0.00	289.07
CRIMINAL RECORDS CHECK	0.00	142.40
COPIER RENTAL	345.21	1,178.37
DOCUMENT SHREDDING	17.66	123.59
PROTECTION SERVICES	0.00	89.82
EMPLOYEE BENEFITS CONTRIBUTION	3,179.65	21,856.20
FSS COORDINATOR - BENEFITS	629.23	2,825.18
Total Expenses	19,366.57	156,322.94
Net Income	\$ 14,267.71	\$ 112,921.74

RHE - HCV 2018
Income Statement
For the Eight Months Ending May 31, 2018

	Current Month	Year to Date
Revenues		
FSS GRANT CONTRIBUTION	\$ 2,439.00	\$ 21,584.96
ADMIN FEES	29,605.00	239,784.00
PORT IN	26,344.00	121,953.00
ADMIN FEE - PORT IN	1,590.28	7,875.72
FSS FORFEITURE	0.00	595.00
HAP CONTRIBUTION	385,992.00	3,145,243.00
	<hr/>	<hr/>
Total Revenues	445,970.28	3,537,035.68
	<hr/>	<hr/>
Gross Profit		
	445,970.28	3,537,035.68
	<hr/>	<hr/>
Expenses		
ADMINISTRATIVE SALARIES	10,382.17	88,902.56
ADMIN SALARIES-FSS COORDINAT	1,748.08	16,658.68
STAFF TRAINING	0.00	2,948.25
TRAVEL	98.99	98.99
OTHER CONSULTANTS	0.00	835.00
HCV OTHER CONSULT - NON FINA	0.00	1,438.21
OFFICE RENT	1,863.16	7,612.85
OFFICE - UTILITIES	101.16	707.76
BANK FEES	20.00	160.00
HQS INSPECTIONS	0.00	6,670.90
TELEPHONE EXPENSES	541.46	1,546.21
COMPUTER EQUIPMENT & SUPPOR	0.00	346.29
MONTHLY ADMIN FEES	30.00	150.00
POSTAGE	282.90	636.89
OFFICE EXPENSES	0.00	315.51
COPIER EXPENSES	126.90	790.21
MEMBERSHIP DUES	0.00	289.07
CRIMINAL RECORDS CHECK	0.00	142.40
COPIER RENTAL	345.21	1,178.37
DOCUMENT SHREDDING	17.66	123.59
PROTECTION SERVICES	0.00	89.82
URP EXPENSES	3,907.00	24,111.61
EMPLOYEE BENEFITS CONTRIBUTI	3,179.65	21,856.20
FSS COORDINATOR - BENEFITS	629.23	2,825.18
HOUSING ASSISTANCE PYMTS	360,097.37	2,810,951.07
HAP PYMTS - PORT IN	46,284.45	240,164.38
HAP PYMTS - PORT OUTS	28,492.62	205,609.22
FSS ESCROW CONTRIBUTIONS	5,195.00	41,215.95
	<hr/>	<hr/>
Total Expenses	463,343.01	3,478,375.17
	<hr/>	<hr/>
Net Income	\$ (17,372.73)	\$ 58,660.51
	<hr/>	<hr/>

Mainstream

Financials

May 2018

RHE MAINSTREAM
UNA - 12 Periods
For October 1, 2017 through September 30, 2018

	October	November	December	January	February	March	April	May	YTD	Variance
ADMIN FEES-MAINSTREAM	49,292.00	4,024.00	4,023.00	4,091.00	4,091.00	4,119.00	4,119.00	4,119.00	32,609.00	16,683.00
Total Revenues	49,292.00	4,024.00	4,023.00	4,091.00	4,091.00	4,119.00	4,119.00	4,119.00	32,609.00	16,683.00
Gross Profit	49,292.00	4,024.00	4,023.00	4,091.00	4,091.00	4,119.00	4,119.00	4,119.00	32,609.00	16,683.00
SALARIES	35,000.00	2,320.85	3,553.84	2,153.84	2,153.84	10,757.84	2,293.84	2,153.84	28,818.65	6,181.35
EMPLOYEE BENEFITS CONTRIBUTION	7,000.00					815.48	815.48	815.48	2,446.44	4,553.56
Total Expenses	42,000.00	2,320.85	3,553.84	2,153.84	2,153.84	11,573.32	3,109.32	2,969.32	31,265.09	10,734.91
Net Income	7,292.00	1,503.15	792.24	1,937.16	1,937.16	(7454.32)	1,009.68	1,149.68	1,343.91	5,948.09

RHE MAINSTREAM 2018
Income Statement
For the Eight Months Ending May 31, 2018

	Current Month	Year to Date
Revenues		
ADMIN FEES	\$ 4,119.00	\$ 33,098.00
HAP CONTRIBUTIONS - MAINSTRE	51,597.00	442,653.00
Total Revenues	<u>55,716.00</u>	<u>475,751.00</u>
Gross Profit	<u>55,716.00</u>	<u>475,751.00</u>
Expenses		
SALARIES	2,153.84	28,818.65
URP EXPENSES	201.00	1,249.00
EMPLOYEE BENEFITS	815.48	2,446.44
HOUSING ASST PYMTS	56,119.00	436,277.78
Total Expenses	<u>59,289.32</u>	<u>468,791.87</u>
Net Income	\$ <u>(3,573.32)</u>	\$ <u>6,959.13</u>

RHE MAINSTREAM 2018
Balance Sheet
May 31, 2018

ASSETS

Current Assets

RHE MAINSTREAM	\$	3,075.61
ACCOUNT RECEIVABLE - VOUCHER		841,548.59
MAINSTREAM A/R HUD		30,115.97

Total Current Assets 874,740.17

Total Assets \$ 874,740.17

LIABILITIES AND CAPITAL

Current Liabilities

ACCOUNTS PAYABLE - HCV	\$	30,817.37
ACCOUNTS PAYABLE - PH		8,604.00
ACCRUED PAYROLL		2,925.08
COMPENSATED ABSENCES-NON CU		8,439.38
DUE TO HCV		867,399.19

Total Current Liabilities 918,185.02

Capital

UNRESTRICTED NET POSITION	(50,403.98)
Net Income	6,959.13

Total Capital (43,444.85)

Total Liabilities & Capital \$ 874,740.17

Mod Rehab

Financials

May 2018

RHE - MOD REHAB
NRCA - 12 Periods
For October 1, 2017 through September 30, 2018

	October	November	December	January	February	March	April	May	YTD	Variance
HAP CONTRIBUTION - MOD										
Total Revenues	-	-	9,611.01	3,202.67	3,202.67	-	-	844.67	16,861.02	
Gross Profit	-	-	9,611.01	3,202.67	3,202.67	-	-	844.67	16,861.02	
HOUSING ASSISTANCE PYMTS										
Total Expenses	6,649.00	3,395.00	2,661.00	2,661.00	2,661.00	2,659.00	1,925.00	1,511.00	24,122.00	
Net Income	(6,649.00)	(3,395.00)	6,950.01	541.67	541.67	(2,659.00)	(1,925.00)	(666.33)	(7,260.98)	

RHE - MOD REHAB 2018
Income Statement
For the Eight Months Ending May 31, 2018

	Current Month	Year to Date
Revenues		
ADMIN FEES	\$ 549.33	\$ 3,295.98
HAP CONTRIBUTION - MOD	844.67	16,861.02
Total Revenues	<u>1,394.00</u>	<u>20,157.00</u>
Gross Profit	<u>1,394.00</u>	<u>20,157.00</u>
Expenses		
HOUSING ASSISTANCE PYMTS	<u>1,511.00</u>	<u>24,122.00</u>
Total Expenses	<u>1,511.00</u>	<u>24,122.00</u>
Net Income	\$ <u>(117.00)</u>	\$ <u>(3,965.00)</u>

RHE - MOD REHAB 2018
Balance Sheet
May 31, 2018

ASSETS

Current Assets

ACCOUNTS RECEIVABLE - VOUCHE \$ 80,600.00

Total Current Assets 80,600.00

Total Assets \$ 80,600.00

LIABILITIES AND CAPITAL

Current Liabilities

ACCOUNTS PAYABLE - HUD \$ 8,034.00
DUE TO HCV 53,566.00

Total Current Liabilities 61,600.00

Total Liabilities 61,600.00

Capital

UNRESTRICTED NET POSITION 22,965.00
Net Income (3,965.00)

Total Capital 19,000.00

Total Liabilities & Capital \$ 80,600.00

RELP One. LP

Financials

May 2018

REL P ONE LP
W/MORT- 12 Periods
For January 1, 2018 through December 31, 2018

	BUDGET	January	February	March	April	May	YTD	Variance
RENTAL RECEIPTS	637,000.00	54,120.40	39,260.85	34,558.40	41,068.34	39,218.63	208,226.62	428,773.38
SECTION 8 SUBSIDIES	190,000.00	23,712.00	18,218.00	17,624.00	13,498.00	22,153.00	95,205.00	94,795.00
INVESTMENT INCOME		0.50	0.45	15.27	0.46	0.47	23,773.25	(17.15)
APPLICATION FEES		25.00			125.00	25.00	175.00	(175.00)
REPLACEMENT RESERVE REIMB	42,000.00		8,225.70		6,627.00		14,852.70	27,147.30
MISC REVENUE							-	-
Total Revenues	869,000.00	77,857.90	65,705.00	52,197.67	61,318.80	61,397.10	318,476.47	550,523.53
Gross Profit	869,000.00	77,857.90	65,705.00	52,197.67	61,318.80	61,397.10	318,476.47	550,523.53
REPLACEMENT RESERVE CONTRIBUTION	38,500.00	1,775.53	1,775.53	1,811.04	1,811.04	1,811.04	8,984.18	29,515.82
MORTGAGE INSURANCE	17,253.00	1,402.81	1,400.84	1,398.86	1,396.87	1,394.87	6,994.25	10,258.75
BOND / MORTGAGE PAYABLE	54,000.00	4,713.54	4,734.01	4,754.56	4,775.20	4,795.94	23,773.25	30,226.75
DIRECT LABOR EXPENSE A	62,250.00		4,915.38	4,139.84	4,960.77	4,915.38	18,931.37	43,318.63
MAINTENANCE SALARIES							-	-
DIRECT LABOR EXPENSE B	20,750.00			636.66	623.64	612.43	1,872.73	18,877.27
LEGAL EXPENSES	15,000.00	1,479.80					1,479.80	13,520.20
STAFF TRAINING	-	150.00					150.00	(150.00)
TRAVEL	-						-	-
OTHER CONSULTANTS	-						-	-
FEE ACCOUNTANT	2,500.00						-	2,500.00
AUDITING FEES	19,000.00				14,000.00	4,750.00	18,750.00	250.00
PETTY CASH							-	-
OTHER ACCOUNTING SVC							-	-
OFFICE RENT	14,000.00	1,003.24	1,003.24	1,003.24	1,003.24	1,003.24	5,016.20	8,983.80
OFFICE UTILITIES	1,500.00	120.24	135.56	59.02	108.83	54.47	478.12	1,021.88
OFFICE FURNITURE	-	136.82					136.82	(136.82)
SUNDRY - ADMINISTRATIVE							-	-
ADVERTISING							-	-
TELEPHONE EXPENSE	-						-	-
COMPUTER EQUIP & SUPPORT	500.00						-	500.00
MONTHLY ADMIN FEES							-	-
SOFTWARE EXPENSES							-	-
POSTAGE	500.00						-	500.00
ADVERTISING	500.00						-	500.00
OFFICE SUPPLIES	2,000.00		460.62	53.11	929.49	78.80	1,522.02	477.98
COPIER RENTAL	-						-	-
MEMBERSHIP DUES	-						-	-
BANK FEES	10,000.00	856.25	910.61	895.08	835.24	882.67	4,379.85	5,620.15
CRIMINAL BACKGROUND CHECK	1,000.00	69.70			306.70	715.55	1,091.95	(91.95)
DOCUMENT SHREDDING	-						-	-
COPYING/PRINTING	-						-	-
ADMIN SVC CONTRACT							-	-
REAL ESTATE TAXES							-	-
OTHER TAXES	14,000.00						-	14,000.00
WATER	1,500.00		30.54	350.97			381.51	1,118.49
SEWER	320.00		30.55				30.55	289.45
ELECTRICITY	4,000.00	53.77	1,029.97	453.44	(43.34)	286.07	1,779.91	2,220.09
GAS	1,500.00	70.71	441.33	178.46	116.59	459.18	1,266.27	233.73
FUEL	1,000.00	47.12		69.05	57.97	41.82	215.96	784.04
MAINTENANCE ADMIN FEE	15,780.00	3,018.84	1,264.97	2,798.79	1,119.00	1,515.85	9,717.45	6,062.55
MATERIALS							-	-
JANITORIAL SUPPLIES	250.00	28.89					28.89	221.11
GROUND SUPPLIES-EQUIPMENT	1,200.00						-	1,200.00
HARDWARE SUPPLIES	4,500.00	197.67	1,970.62	145.93	1,318.87	1,031.19	4,664.28	(164.28)
PAINTING SUPPLIES	800.00	14.93	269.66		37.20		321.79	478.21
PLUMBING SUPPLIES	1,500.00	343.27	553.11		59.98	609.47	1,565.83	(65.83)
ELECTRICAL SUPPLIES	500.00	53.43	1,445.28		220.34	188.38	1,907.43	(1,407.43)
HTG & A/C PARTS	600.00	67.00	231.68	39.23			337.91	262.09
APPLIANCES-kitchen washer dryers	10,000.00	408.00	4,488.19	1,874.45	1,603.82	1,162.00	9,536.46	463.54
APPLIANCES-hot water heater	5,000.00						-	5,000.00
MAINTENANCE EQUIPMENT RENTAL	250.00						-	250.00
UNIFORM COST & CLEANING							-	-
APPLIANCE PARTS	1,500.00						-	1,500.00
MISC CONTRACTS	-				2,051.78	5,554.00	7,605.78	(7,605.78)
GROUND CONTRACT							-	-
EXTERMINATION CONTRACT	1,200.00						-	1,200.00
PAINTING CONTRACTS	1,500.00	3,054.00	5,415.00		3,825.00	4,280.00	16,574.00	(15,074.00)
PLUMBING CONTRACTS	8,000.00						-	8,000.00
CLEANING CONTRACTS							-	-
ELECTRICAL CONTRACTS	1,300.00						-	1,300.00
HTG & COOLING CONTRACTS	6,000.00	93.32		64.16			157.48	5,842.52
VEHICLE REPAIRS	500.00						-	500.00
MOVERS/PH EVICTIONS CONTRACCT	1,500.00						-	1,500.00
STORAGE	1,500.00	132.00	132.00	132.00	132.00	132.00	660.00	840.00
SNOW REMOVAL	2,000.00						-	2,000.00
UNIT TURNAROUND	3,000.00				1,100.00		1,100.00	1,900.00
GARBAGE & TRASH REMOVAL	1,500.00			25.00			25.00	1,475.00
PROTECTIVE SERVICES	500.00						-	500.00
MORTGAGE INSURANCE							-	-
INSURANCE - PROPERTY	18,992.19						-	18,992.19
INSURANCE - GEN LIAB	19,298.20						-	19,298.20
INSURANCE - EXCESS LIAB	7,350.80						-	7,350.80
INSURANCE - TERROISM	1,358.81						-	1,358.81
COLLECTION LOSS							-	-
BOND / MORTGAGE INTEREST EXP	270,460.00	14,637.75	14,617.29	14,596.74	14,576.09	14,555.36	72,983.23	197,476.77
COUNTY LOAN INT EXP							-	-
RHE LOAN INTEREST							-	-
DEPOSIT INTEREST							-	-
SUBORDINATE INTEREST							-	-
ASSOCIATION FEES	152,000.00	14,545.93	12,053.41	12,283.99	14,383.33	12,053.41	65,320.07	86,679.93
OTHER GENERAL EXPENSES							-	-
NON-EXTRODINARY MAINTENANCE	500.00						-	500.00
EXTRODINARY EXPENSES/CAP EXP	15,000.00			14,578.00		2,030.00	16,608.00	(1,608.00)
AMORTIZATION COSTS-FINANCING							-	-
PRIOR YEARS ADJUSTMENT							-	-
TAX PREPARATION	2,600.00					2,425.00	2,425.00	175.00
CREDIT MONITORING				1,680.00			1,680.00	(1,680.00)
MISCELLANEOUS FEES							-	-
OTHER TENANT EXPENSES							-	-
TENANT RELOCATION							-	-
ASSET MANAGEMENT FEES	6,727.00		6,861.00				6,861.00	(134.00)
PARTNERSHIP MANAGEMENT FEES	65,000.00						-	65,000.00
AMORTIXZATION EXPENSE							-	-
PARTNERS DISTRIBUTION							-	-
OTHER TAXES							-	-
FLOORING							-	-
GROUND CONTRACT							-	-
PROPERTY INSURANCE							-	-
PROPERTY MGMT FEES	77,100.00	13,265.08	6,507.22	6,740.34	6,844.00	6,735.52	40,092.16	37,007.84
Total Expenses	988,340.00	61,739.64	72,677.61	70,761.96	78,116.45	74,110.84	357,406.50	630,933.50
Net Income	(119,340.00)	16,118.26	(6,972.61)	(18,564.29)	(16,797.65)	(12,713.74)	(38,930.03)	(80,409.97)

REL ONE LP 2018
Admin Cash Flow
For the Five Months Ending May 31, 2018

	Current Month	Year to Date
Revenues		
RENTAL RECEIPTS	39,218.63	208,226.62
SECTION 8 SUBSIDIES	22,153.00	95,205.00
INVESTMENT INCOME	0.47	17.15
APPLICATION FEES	25.00	175.00
Total Revenues	61,397.10	303,623.77
Gross Profit	61,397.10	303,623.77
Expenses		
REPLACEMENT RESERVE CONTRIBUTION	1,811.04	8,984.18
MORTGAGE ESCROW	1,394.87	6,994.25
BOND/MORTGAGE PAYABLE	4,795.94	23,773.25
DIRECT LABOR EXPENSE A	4,915.38	18,931.37
LEGAL EXPENSES	-	1,479.80
STAFF TRAINING	-	150.00
AUDITING FEES	4,750.00	4,750.00
OFFICE RENT	1,003.24	5,016.20
OFFICE UTILITIES	54.47	478.12
OFFICE SUPPLIES	78.80	1,658.84
BANK FEES	882.67	4,379.85
CRIMINAL BACKGROUND CHECK	715.55	1,091.95
WATER	-	381.51
SEWER	-	30.55
ELECTRICITY	286.07	1,779.91
GAS	459.18	1,266.27
FUEL	41.82	215.96
MAINTENANCE ADMIN FEE	1,515.85	9,717.45
JANITORIAL SUPPLIES	-	28.89
HARDWARE SUPPLIES	1,031.19	4,664.28
PAINTING SUPPLIES	37.20	381.77
PLUMBING SUPPLIES	609.47	1,505.85
ELECTRICAL SUPPLIES	188.38	1,907.43
HTG & A/C PARTS	-	337.91
APPLIANCES-WASHERS & DRYERS	1,162.00	9,536.46
MISC CONTRACTS	5,554.00	7,605.78
PAINTING CONTRACTS	4,280.00	16,574.00
HTG & COOLING CONTRACTS	-	157.48
STORAGE	132.00	660.00
UNIT TURNAROUND	-	1,100.00
GARBAGE & TRASH REMOVAL	-	25.00
DIRECT LABOR EXPENSE B	612.43	1,872.73
BOND / MORTGAGE INTEREST EXP	14,555.36	72,983.23
ASSOCIATION FEES	12,053.41	65,320.07
EXTRODINARY MAINTENANCE/CAP EX	2,030.00	16,608.00
TAX PREPARATION	2,425.00	2,425.00
AUDIT FEES	-	14,000.00
CREDIT MONITORING	-	1,680.00
ASSET MANAGEMENT FEES	-	6,861.00
PROPERTY MGMT FEES	6,735.52	40,092.16
Total Expenses	74,110.84	357,406.50
Net Income	(12,713.74)	(53,782.73)

REL P ONE LP 2018
Income Statement
For the Five Months Ending May 31, 2018

	Current Month	Year to Date
Revenues		
DWELLING RENTAL	\$ 59,202.00	\$ 244,337.06
SECTION 8 SUBSIDIES	22,153.00	95,205.00
INVESTMENT INCOME	0.47	17.15
LATE FEES	598.65	3,544.30
OTHER INCOME	0.00	2,672.82
APPLICATION FEES	25.00	175.00
	<hr/>	<hr/>
Total Revenues	81,979.12	345,951.33
	<hr/>	<hr/>
Gross Profit	81,979.12	345,951.33
	<hr/>	<hr/>
Expenses		
DIRECT LABOR EXPENSE A	4,915.38	18,931.37
LEGAL EXPENSES	0.00	1,479.80
STAFF TRAINING	0.00	150.00
AUDITING FEES	4,750.00	4,750.00
OFFICE RENT	1,003.24	5,016.20
OFFICE UTILITIES	54.47	478.12
OFFICE SUPPLIES	78.80	1,658.84
BANK FEES	882.67	4,379.85
CRIMINAL BACKGROUND CHECK	715.55	1,091.95
WATER	0.00	381.51
SEWER	0.00	30.55
ELECTRICITY	286.07	1,779.91
GAS	459.18	1,266.27
FUEL	41.82	215.96
MAINTENANCE ADMIN FEE	1,515.85	9,717.45
JANITORIAL SUPPLIES	0.00	28.89
HARDWARE SUPPLIES	1,031.19	4,664.28
PAINTING SUPPLIES	37.20	381.77
PLUMBING SUPPLIES	609.47	1,505.85
ELECTRICAL SUPPLIES	188.38	1,907.43
HTG & A/C PARTS	0.00	337.91
APPLIANCES-WASHERS & DRYERS	1,162.00	9,536.46
MISC CONTRACTS	5,554.00	7,605.78
PAINTING CONTRACTS	4,280.00	16,574.00
HTG & COOLING CONTRACTS	0.00	157.48
STORAGE	132.00	660.00
UNIT TURNAROUND	0.00	1,100.00
GARBAGE & TRASH REMOVAL	0.00	25.00
INSURANCE - PROPERTY	1,330.42	6,652.10
INSURANCE - GEN LIABILITY	1,351.88	6,759.40
INSURANCE - EXCESS LIABILITY	515.00	2,575.00
INSURANCE - TERRORISM	94.42	472.10
DIRECT LABOR EXPENSE B	612.43	1,872.73
BOND / MORTGAGE INTEREST EXP	14,555.36	72,983.23
ASSOCIATION FEES	12,053.41	65,320.07
EXTRODINARY MAINTENANCE/CA	2,030.00	16,608.00
DEPRECIATION	22,255.24	111,276.20
TAX PREPARATION	2,425.00	2,425.00
AUDIT FEES	0.00	14,000.00
CREDIT MONITORING	0.00	1,680.00
ASSET MANAGEMENT FEES	0.00	6,861.00
PROPERTY MGMT FEES	6,735.52	40,092.16
	<hr/>	<hr/>
Total Expenses	91,655.95	445,389.62
	<hr/>	<hr/>
Net Income	\$ (9,676.83)	\$ (99,438.29)
	<hr/>	<hr/>

For Management Purposes Only

REL P ONE LP 2018
Balance Sheet
May 31, 2018

ASSETS

Current Assets

REL P ONE OPER	\$	241,311.17
REL P TENANT SECURITY DEPOSIT		30,268.49
TENANTS ACCOUNTS RECEIVABLE		941.82
ACCOUNTS RECEIVABLE - PH		25.00
OPERATING RESERVE		299,950.40
REPLACEMENT RESERVE		61,779.89
MORTGAGE ESCROW		25,752.77
PREPAID INSURANCE		3,291.04
PREPAID TAXES		6,340.28
PREPAID SUPPORT		12,250.00

Total Current Assets 681,910.86

Property and Equipment

SITE AQUISITION	259,000.00
SITE IMPROVEMENTS	217,495.00
COMPUTER SOFTWARE	(10,000.00)
BUILDING	6,569,020.56
DWELLING EQUIPMENT	105,841.25
OFFICE FURNITURE & EUIPMENT	10,000.00
ACCUMULATED DEPRECIATION	(3,846,062.48)

Total Property and Equipment 3,305,294.33

Other Assets

DEFERRED FINANCING COST	183,650.50
AMORTIZATION DEFERRED FINAN	(61,895.50)

Total Other Assets 121,755.00

Total Assets \$ 4,108,960.19

LIABILITIES AND CAPITAL

Current Liabilities

ACCOUNTS PAYABLE - PH	\$	12,289.03
ACCR ASSET MGMT FEES		132.00
TENANTS SECURITY DEPOSIT		15,877.51
TENANTS PET DEPOSIT		279.85
SECURITY DEPOSIT INTEREST		3,023.08
ACCR PARTNERSHIP MGMT FEES		37,085.00
ACCRUED EXPENSES		3,471.00
EMPLOYEE DEDUCTION AFLAC		(664.84)
ACCOUNTS PAYABLE - LOW RENT		19,910.44
AP INTERFUND		(17,990.22)
ACCRUED INT PAYABLE - MORTGA		14,637.73
ACCRUED INT PAYABLE - CTY LOA		25,509.53
ACCRUED INT PAYBLE - RHE LOAN		7,628.92
ACCR PROP MGMT FEE PAYABLE		6,612.00
TENANTS PREPAID RENTS		10,536.38
MORTGAGE PAYABLE-CURR PORTI		57,933.00

Total Current Liabilities 196,270.41

Long-Term Liabilities

BOND / MORTGAGE PAYABLE	3,289,790.57
CITY LOAN PAYABLE	120,000.00
COUNTY LOAN PAYABLE	1,397,245.40

Unaudited - For Management Purposes Only

REL P ONE LP 2018
Balance Sheet
May 31, 2018

RHE LOAN PAYABLE	161,102.99	
Total Long-Term Liabilities		4,968,138.96
Total Liabilities		5,164,409.37
Capital		
PARTNERS EQUITY	(956,010.89)	
Net Income	(99,438.29)	
Total Capital		(1,055,449.18)
Total Liabilities & Capital	\$	4,108,960.19

RHEP
Financials
May 2018

RHE PROPERTIES 2018
UNA - 12 Periods
For January 1, 2018 through December 31, 2018

	Budget	January	February	March	April	May	YTD	Variance
RENTAL RECEIPTS	33,688.00	3,877.00	2,057.00	3,273.00	3,234.50	1,292.00	13,733.50	19,954.50
SECTION 8 SUBSIDIES	17,600.00	1,643.00	1,643.00	1,627.00	1,637.00	1,178.00	7,728.00	9,872.00
OTHER REVENUE	2,300.00						-	2,300.00
Total Revenues	53,588.00	5,520.00	3,700.00	4,900.00	4,871.50	2,470.00	21,461.50	32,126.50
Gross Profit	53,588.00	5,520.00	3,700.00	4,900.00	4,871.50	2,470.00	21,461.50	32,126.50
MORT - FALLS GROVE-9001		214.65	215.53	249.17	217.36	229.14	1,125.85	(1,125.85)
MORT - JAY DRIVE-9002		418.37	225.77	216.40	207.06	218.01	1,285.61	(1,285.61)
MORT - GARDENVIEW-9003		166.20	167.01	207.97	168.94	183.07	893.19	(893.19)
MORT - CORK TREE-9004		165.68	166.49	207.46	168.42	182.55	890.60	(890.60)
FEE ACCOUNTANT							-	-
OTHER ACCOUNTING							-	-
AUDITING FEES							-	-
WATER EXPENSE							-	-
OFFICE RENT							-	-
OFFICE EXPENSES - UTILITIES							-	-
OFFICE SUPPLIES							-	-
BANK FEES	125.00	6.00	6.00	6.00	6.00	6.00	30.00	95.00
POSTAGE							-	-
LEGAL EXPENSE	700.00	237.70					237.70	462.30
WATER							-	-
SEWER							-	-
ELECTRICITY	150.00						-	150.00
GAS	150.00						-	150.00
FUEL							-	-
SALARIES							-	-
MATERIALS							-	-
GROUND SUPPLIES							-	-
HARDWARE SUPPLIES							-	-
PAINTING SUPPLIES							-	-
PLUMBING SUPPLIES							-	-
APPLIANCES-kitchen washer & dryers	1,500.00		300.00				300.00	1,200.00
APPLIANCE PARTS							-	-
REAL ESTATE TAXES							-	-
EXTERMINATION							-	-
PLUMBING CONTRACTS							-	-
HTG & A/C CONTRACTS							-	-
SNOW REMOVAL							-	-
UNIT TURNAROUND							-	-
INSURANCE - PROPERTY							-	-
INSURANCE - GENERAL LIABILITY							-	-
INSURANCE - GENERAL WC							-	-
PYMTS IN LIEU OF TAXES	2,100.00						-	2,100.00
BOND/MORTGAGE INTEREST EXPENSE	29,900.00	1,799.06	1,466.74	1,360.54	1,479.76	1,428.77	7,534.87	22,365.13
ASSOCIATION FEES	18,000.00	1,844.00	1,829.00	1,829.00	1,829.00	1,829.00	9,160.00	8,840.00
CAPITAL IMPROVEMENT							-	-
TAX PREPARATION							-	-
AUDITING FEES							-	-
SUPPLIES EXPENSE	150.00						-	150.00
ELECTRICITY							-	-
GAS	150.00						-	150.00
OTHER MAINTENANCE EXPENSE							-	-
DEPRECIATION EXPENSE							-	-
Total Expenses	52,925.00	4,851.66	4,416.56	4,210.76	4,076.54	4,101.83	21,657.35	31,267.65
Net Income	663.00	668.34	(716.56)	689.24	794.96	(1,631.83)	(195.85)	\$58.85

RHE PROPERTIES 2018
Income Statement
For the Five Months Ending May 31, 2018

	Current Month	Year to Date
Revenues		
DWELLING RENT	\$ 3,659.00	\$ 23,215.00
SECTION 8 SUBSIDIES	1,178.00	7,728.00
OTHER TENANT REVENUE	59.95	422.75
	<u>4,896.95</u>	<u>31,365.75</u>
Total Revenues		
	<u>4,896.95</u>	<u>31,365.75</u>
Gross Profit		
	<u>4,896.95</u>	<u>31,365.75</u>
Expenses		
BANK FEES	6.00	30.00
LEGAL EXPENSE	0.00	237.70
APPLIANCES	0.00	300.00
HTG & A/C CONTRACTS	0.00	174.24
INSURANCE - PROPERTY	33.52	167.60
INSURANCE - LIABILITY	33.52	167.60
WORKMAN COMP	33.52	167.60
INTEREST EXPENSE	1,428.77	7,534.87
ASSOCIATION FEES	1,829.00	9,160.00
ELECTRICITY	25.29	25.29
	<u>3,389.62</u>	<u>17,964.90</u>
Total Expenses		
	<u>3,389.62</u>	<u>17,964.90</u>
Net Income	\$ <u>1,507.33</u>	\$ <u>13,400.85</u>

RHE PROPERTIES 2018

Balance Sheet

May 31, 2018

ASSETS

Current Assets

RHE PROP GEN FUND	\$ 12,314.28
SECURITY DEPOSITS	310.00
ACCOUNTS RECEIVABLE TENANTS	15,340.87
ALLOW FOR DOUBTFUL ACCOUNTS	(1,132.10)
A/R MISCELLANEOUS	850.00
AR - Interfund	(2,000.00)
PREPAID INSURANCE	1,307.21

Total Current Assets	26,990.26
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Property and Equipment

SITE IMPROVEMENTS	7,092.90
BUILDINGS	462,077.96
DWELLING EQUIPMENT	4,444.88
ACC. DEPR. BUILDINGS	(10,824.17)
ACC. DEPR. PERSONAL PROPERTY	(444.49)
ACC. DEPR. SITE IMPROVEMENTS	(472.86)
ACCUMULATED DEPRECIATION	(61,299.13)

Total Property and Equipment	400,575.09
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Other Assets

Total Assets	\$ 427,565.35
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LIABILITIES AND CAPITAL

Current Liabilities

ACCOUNTS PAYABLE - VENDORS	\$ (525.00)
TENANTS SECURITY DEPOSITS	1,200.00
ACCOUNTS PAYABLE - HCV	2,347.80
ACCOUNTS PAYABLE - RHE DEV	1,015.00
A/P - INTERFUND	(2,347.80)

Total Current Liabilities	1,690.00
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Long-Term Liabilities

MORTGAGE PAYABLE - FALLSGRO	84,165.80
MORTGAGE PAYABLE - JAY DRIVE	79,713.53
MORTGAGE PAYABLE - GARDEN VI	81,258.42
MORTGAGE PAYABLE - CORK TREE	81,301.55

Total Long-Term Liabilities	326,439.30
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Total Liabilities	328,129.30
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Capital

INVESTED IN CAPITAL ASSETS	71,980.46
UNRESTRICTED NET POSITION	13,954.18
Net Income	13,501.41

Total Capital	99,436.05
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Total Liabilities & Capital	\$ 427,565.35
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RHE PROPERTIES 2018
Admin Cash Flow
For the Five Months Ending May 31, 2018

	Current Month	Year to Date
Revenues		
RENTAL RECEIPTS	\$ 1,292.00	\$ 13,733.50
SECTION 8 SUBSIDIES	1,178.00	7,728.00
Total Revenues	<u>2,470.00</u>	<u>21,461.50</u>
Gross Profit	<u>2,470.00</u>	<u>21,461.50</u>
Expenses		
MORT - FALLS GROVE-9001	229.14	1,125.85
MORT - JAY DRIVE-9002	218.01	1,285.61
MORT - GARDENVIEW-9003	183.07	893.19
MORT - CORK TREE-9004	182.55	890.60
BANK FEES	6.00	30.00
LEGAL EXPENSE	-	237.70
APPLIANCES	-	300.00
HTG & A/C CONTRACTS	-	174.24
INTEREST EXPENSE	1,428.77	7,534.87
ASSOCIATION FEES	1,829.00	9,160.00
ELECTRICITY	25.29	25.29
Total Expenses	<u>4,101.83</u>	<u>21,657.35</u>
Net Income	<u>\$ (1,631.83)</u>	<u>\$ (195.85)</u>

DEV/Corp

Financials

May 2018

RHE DEVELOPMENT 2018
Admin Cash Flow - 12 Periods
For January 1, 2018 through December 31, 2018

	Budget	January	February	March	April	May	YTD	Variance
OTHER INCOME	1,000,000.00	-	-	-	-	-	-	-
REPAYMENT - LEGACY SOFT SECONDS		-	-	-	-	-	-	-
PARTNERSHIP ASSET MGMT FEE		-	-	-	-	-	-	-
PROPERTY MGMT FEES		-	-	6,740.34	6,844.00	6,735.52	20,319.86	(20,319.86)
Total Revenues	1,000,000.00	-	-	6,740.34	6,844.00	6,735.52	20,319.86	(20,319.86)
Gross Profit	1,000,000.00	-	-	6,740.34	6,844.00	6,735.52	20,319.86	(20,319.86)
LEGAL SERVICES							-	-
PROFESSIONAL SERVICES			8,211.80				8,211.80	(8,211.80)
ADVERTISEMENT							-	-
FEE ACCOUNTANT							-	-
MISCELLANEOUS			4,705.00				4,705.00	(4,705.00)
SUNDRY - ADMIN EXPENSES							-	-
FSS COORDINATOR FEES							-	-
PEST EXTERMINATION							-	-
PLUMBING CONTRACTS							-	-
SALARIES - RELP							-	-
FEDERAL TAXES PAID							-	-
FIRESIDE RESERVE DEPOSIT	0.00						-	-
TAX PREPERATRION						4,700.00	4,700.00	(4,700.00)
OTHER TAXES							-	-
Total Expenses	0.00	-	12,916.80	-	-	4,700.00	17,616.80	(17,616.80)
Net Income	\$ 1,000,000.00	-	(12,916.80)	6,740.34	6,844.00	2,035.52	2,703.06	997,296.94

RHE DEVELOPMENT 2018
Income Statement
For the Five Months Ending May 31, 2018

	Current Month	Year to Date
Revenues		
RELPMGMT FEES	\$ 6,735.52	\$ 20,319.86
Total Revenues	<u>6,735.52</u>	<u>20,319.86</u>
Gross Profit	<u>6,735.52</u>	<u>20,319.86</u>
Expenses		
PROFESSIONAL SERVICES	0.00	8,211.80
MISCELLANEOUS	0.00	4,705.00
TAX PREPARATION	<u>4,700.00</u>	<u>4,700.00</u>
Total Expenses	<u>4,700.00</u>	<u>17,616.80</u>
Net Income	\$ <u>2,035.52</u>	\$ <u>2,703.06</u>

RHE DEVELOPMENT 2018

Balance Sheet

May 31, 2018

ASSETS

Current Assets

GENERAL FUND	\$	73,948.21
ACCOUNTS RECEIVABLE-INTERFUN		4,000.00
ACCOUNTS RECEIVABLE - RHE PRO		(985.00)
ACCOUNTS RECEIVABLE - AFFLIAT		51,237.00
NOTES RECEIVABLE - LEGACY		1,336,716.86

Total Current Assets

1,464,917.07

Other Assets

ACCRUED INTEREST	73.30
CERTIFICATES OF DEPOSIT	200,977.18
INVESTMENT IN RELP	733.00

Total Other Assets

201,783.48

Total Assets

\$ 1,666,700.55

LIABILITIES AND CAPITAL

Current Liabilities

ACCOUNTS PAYABLE - VENDORS	\$	525.00
ACCOUNTS PAYABLE - RELP		23,414.00

Total Current Liabilities

23,939.00

Total Liabilities

23,939.00

Capital

UNRESTRICTED NET POSITION	1,640,058.49
Net Income	2,703.06

Total Capital

1,642,761.55

Total Liabilities & Capital

\$ 1,666,700.55

Fireside Park
Financials
May 2018

Accrual	COMPARATIVE OPERATING STATEMENT					Page: 1
INCSUMDETAIL						Date: 6/12/2018
Property No: 232	Fireside Park Apartments					Time: 04:51 PM
		Current Period		Year-To-Date		
		Actual	Budget	Actual	Budget	
		May 2018	May 2018	May 2018	May 2018	Variance

RENTAL INCOME:

5120-0000	Apartment Rent	277,537	268,110	9,427	1,382,652	1,340,550	42,102
5121-0000	Resident Assistance Payme	40,365	44,478	(4,113)	206,858	222,390	(15,532)
5120-0100	Gain/Loss to Lease	(7,582)	0	(7,582)	(70,503)	0	(70,503)
5170-0000	Garage And Parking Space	805	1,295	(490)	4,984	6,475	(1,491)
Total Potential Rent		311,126	313,883	(2,758)	1,523,992	1,569,415	(45,424)

ADJUSTMENTS TO POTENTIAL

5225-0000	Vacancy - Offline Units	(39,065)	0	(39,065)	(118,421)	0	(118,421)
5220-0000	Vacancy - Apartments	(22,392)	(15,694)	(6,698)	(152,778)	(97,304)	(55,474)
1130-0000	Tenant Rec./Beg. (Ending)	70,414	0	70,414	95,086	0	95,086
1130-0000	Tenant Rec./Beg. (Ending)	(66,446)	0	(66,446)	(66,446)	0	(66,446)
1140-0000	Local Rec./Beg (Ending)	10,343	0	10,343	9,100	0	9,100
1140-0000	Local Rec./Beg (Ending)	(6,440)	0	(6,440)	(6,440)	0	(6,440)
2210-0001	Prep. Rent/(Beg.) Ending	(21,033)	0	(21,033)	(29,887)	0	(29,887)
2210-0001	Prep. Rent/(Beg.) Ending	18,685	0	18,685	18,685	0	18,685
2210-0092	Prepaid--Local Assist.	(14,033)	0	(14,033)	(9,338)	0	(9,338)
2210-0092	Prepaid--Local Assist.	7,831	0	7,831	7,831	0	7,831
5251-0000	Concessions To Tenants	(3,472)	0	(3,472)	(18,289)	(2,000)	(16,289)
6370-0000	Bad Debts Expense	(7,819)	(3,250)	(4,569)	(74,151)	(16,250)	(57,901)
5992-0000	Month To Month Fee	384	400	(16)	2,806	2,000	806
Total Adjustments to Potential		(73,042)	(18,544)	(54,498)	(342,242)	(113,554)	(228,688)
Net Rental Income		238,083	295,339	(57,256)	1,181,750	1,455,861	(274,111)

FINANCIAL INCOME:

5410-0000	Interest Revenue-Project	1	0	1	7	0	7
Total Financial Income		1	0	1	7	0	7

OTHER INCOME/SERVICE INCOME:

5920-0000	NSF And Late Charge Incom	1,697	1,518	179	9,524	7,590	1,934
5921-0000	Legal Fees	0	575	(575)	(25)	2,875	(2,900)
5930-0000	Damage And Cleaning Fee I	0	350	(350)	35	1,750	(1,715)
5192-0000	Excess Income Retained	35	0	35	35	0	35
5122-0000	Utility Income	8,433	2,000	6,433	60,404	10,000	50,404
5960-0000	Application Fees	365	300	65	465	1,500	(1,035)
5921-0500	Lease Cancellation Fee	0	0	0	709	0	709
5993-0000	Cable TV Commission	746	295	451	1,488	1,475	13
5975-0000	Community Management Dues	1,018	0	1,018	1,018	0	1,018
5996-0500	Other Miscellaneous Incom	0	0	0	2,000	0	2,000
5995-0000	Pet Fee Income	245	700	(455)	1,070	3,500	(2,430)
Total Other/Service Income		12,538	5,738	6,800	76,722	28,690	48,032
TOTAL INCOME		250,623	301,077	(50,454)	1,258,479	1,484,551	(226,072)

ADMINISTRATIVE EXPENSES:

6210-0000	Advertising	3,189	1,825	(1,364)	16,748	13,590	(3,158)
6250-0000	Other Renting Expenses	0	250	250	694	1,214	520
6332-0000	Copier Rental & Expense	182	0	(182)	599	0	(599)
6311-0000	Office Supplies Expense	766	275	(491)	2,164	1,375	(789)
6311-0500	Printing Reproduction	0	156	156	0	780	780
6311-0600	Shipping/Postage	52	60	8	234	300	66
6320-0000	Management Fee	9,440	9,015	(425)	47,200	44,451	(2,749)
6325-0000	Asset Mgmt. Fee	0	2,122	2,122	0	10,610	10,610

Accrual	COMPARATIVE OPERATING STATEMENT					Page: 2
INCSUMDETAIL						Date: 6/12/2018
Property No: 232	Fireside Park Apartments					Time: 04:51 PM
	Current Period			Year-To-Date		
	Actual May 2018	Budget May 2018	Variance	Actual May 2018	Budget May 2018	Variance

6340-0000	Legal & Coll. Expense	655	930	275	3,382	4,650	1,268
6350-0000	Audit Expense	0	0	0	0	2,400	2,400
6312-0000	Office Or Model Apartment	0	1,270	1,270	0	6,350	6,350
6351-0500	Software/Tech Support	0	0	0	289	0	(289)
6351-5000	RealPage Services Expense	35	479	444	5,536	2,395	(3,141)
6360-1000	Telephone Expenses	195	856	661	802	4,280	3,478
6360-2000	Telephone Answering Servi	0	94	94	387	470	83
6390-5000	Meals	90	0	(90)	258	0	(258)
6390-6000	Admin Travel Exp	0	25	25	227	125	(102)
6390-7000	Training	71	74	3	603	1,150	547
6390-1000	Misc Admin Exp	50	50	0	1,803	250	(1,553)
6390-2000	Bank Service Charges	152	0	(152)	627	0	(627)
6390-2500	Merchant Service Charges	0	0	0	5	0	(5)
Total Administrative Expenses		14,877	17,481	2,604	81,558	94,390	12,832

PAYROLL EXPENSE

6310-0000	Office Salaries	6,403	6,447	45	32,609	32,237	(372)
6310-0500	Temporary Staffing	0	0	0	11,475	0	(11,475)
6330-0000	Managers Salary	5,125	5,150	25	28,126	25,750	(2,376)
6510-1000	Janitor Payroll	2,135	4,961	2,826	9,098	24,805	15,707
6540-1000	Repairs Payroll	14,583	12,415	(2,168)	62,712	62,075	(637)
6711-0000	Project Payroll Taxes	2,259	2,242	(17)	12,014	14,272	2,257
6712-0000	Payroll Processing Fee	100	108	8	468	540	72
6722-0000	Workman's Compensation In	1,339	1,086	(253)	4,383	5,430	1,048
6723-0000	Employee Benefits	4,182	4,897	716	22,965	24,485	1,520
Total Payroll Expense		36,126	37,307	1,181	183,850	189,594	5,743

UTILITY EXPENSE:

6450-0500	Electricity - House Meter	1,735	1,751	16	10,228	8,755	(1,473)
6450-1000	Electricity - Vacant	548	330	(218)	5,201	1,650	(3,551)
6451-0000	Water	9,526	17,450	7,924	22,760	87,250	64,490
6453-0000	Sewer	8,991	0	(8,991)	23,561	0	(23,561)
6452-0500	Gas	1,497	3,530	2,033	8,963	17,650	8,687
6452-1000	Gas - Vacant	0	359	359	3,858	1,795	(2,063)
Total Utility Expenses		22,297	23,420	1,123	74,572	117,100	42,528

MAINTENANCE EXPENSES

6515-0500	Janitor Supplies	0	300	300	1,166	1,500	334
6515-1000	Janitor Uniforms	2,661	137	(2,524)	3,704	685	(3,019)
6517-3000	Turnover Cleaning	0	340	340	1,600	1,700	100
6517-0900	Contract Carpet Cleaning	0	200	200	100	1,000	900
6519-0000	Extermination Contract	0	500	500	4,525	2,500	(2,025)
6520-0000	Extermination Supplies	0	0	0	45	0	(45)
6525-1000	Trash Removal Contract	3,409	1,953	(1,456)	32,424	9,765	(22,659)
6525-2000	Trash Special Pick Ups	250	500	250	1,800	2,500	700
6530-0500	Fire Protection-Monitorin	410	0	(410)	1,589	0	(1,589)
6530-1000	Monitoring Contract	0	115	115	0	575	575
6530-0100	Fire Protection	0	0	0	610	0	(610)
6537-0000	Grounds Contracts	0	0	0	1,750	0	(1,750)
6537-0500	Grounds Contract	2,050	2,050	0	8,550	10,250	1,700
6537-1000	Fertilization	410	400	10	0	800	800
6541-0500	R&M Supplies - General	82	1,500	1,418	7,629	7,500	(129)
6541-6000	Glass Supplies	0	0	0	145	0	(145)
6541-8000	Plumbing Supplies	322	300	(22)	4,446	1,500	(2,946)

Accrual INCSUMDETAIL Property No: 232		COMPARATIVE OPERATING STATEMENT Fireside Park Apartments					Page: 3 Date: 6/12/2018 Time: 04:51 PM
		Current Period			Year-To-Date		
		Actual May 2018	Budget May 2018	Variance	Actual May 2018	Budget May 2018	Variance
6541-9500	Rep & Maint Supp - Blinds	0	0	0	25	0	(25)
6541-8500	R&M Equipment	38	0	(38)	345	0	(345)
6541-3500	Appliance Parts	12	100	88	368	500	132
6541-4500	Electrical Supplies	37	100	63	4,056	500	(3,556)
6542-0500	R&M Contractor - General	0	1,700	1,700	373	8,500	8,127
6542-1000	Plumbing Contractor	2,022	400	(1,622)	5,632	2,000	(3,632)
6542-2000	Electrical Contractor	210	300	90	1,307	1,500	193
6542-3000	Roofing Contractor	0	0	0	0	2,500	2,500
6542-5000	Carpeting Contractor	0	0	0	156	0	(156)
6546-0500	A/C & Heating Contractor	1,060	500	(560)	2,511	2,500	(11)
6546-2000	Heating Contractor	0	0	0	1,230	0	(1,230)
6546-4000	A/C & Heating Supplies	185	300	115	339	1,500	1,161
6547-0500	Swim Pool Contract Mgmt	9,050	3,780	(5,270)	9,050	5,280	(3,770)
6547-1000	Swim Pool Contract Repair	1,640	0	(1,640)	1,640	0	(1,640)
6548-0500	Snow Removal Contractor	0	0	0	2,810	4,000	1,190
6548-1000	Snow Removal Supplies	0	0	0	1,227	1,000	(227)
6560-1000	Decor Contractor	0	0	0	9,045	0	(9,045)
6560-2000	Turnover Apts (Deco)	0	1,600	1,600	5,730	8,000	2,270
6560-3000	Occupied Apts (Deco)	0	700	700	0	2,000	2,000
6560-6000	Kitchen/Bath Reglazing	150	500	350	2,690	1,000	(1,690)
6561-0000	Decorating Supplies	0	150	150	12	750	738
Total Maintenance Expense		23,587	18,425	(5,162)	118,628	81,805	(36,823)
TAXES AND INSURANCE:							
6719-0000	Real Estate Taxes	0	0	0	(50,115)	0	50,115
	Misc Tax, License, Permit	3	0	(3)	6	9,676	9,670
	Hazard Insurance	(5,201)	0	5,201	20,805	0	(20,805)
1310-3000	Real Estate Tax Escrow	22,356	24,690	2,334	111,779	123,450	11,671
1310-1000	Hazard Insurance Escrow	0	7,802	7,802	0	39,010	39,010
Total Taxes & Insurance		17,158	32,492	15,334	82,474	172,136	89,662
FINANCIAL EXPENSE:							
6890-3000	Interest On Sec Dep	142	0	(142)	686	0	(686)
Total Financial Expense		142	0	(142)	686	0	(686)
TOTAL EXP. BEFORE DEBT SVS.		114,188	129,125	14,937	541,769	655,025	113,256
NET OPERATING INCOME		136,435	171,952	(35,517)	716,710	829,526	(112,816)
DEBT SERVICE							
2320-0000	Principal 1st Mort	60,960	60,940	(20)	303,012	302,950	(62)
6820-1000	Interest 1st Mort	85,255	85,099	(156)	427,348	427,246	(102)
6820-2000	Interest 2nd Mort	4,264	4,264	0	21,321	21,320	(1)
6820-3000	Interest 3rd Mort	6,933	6,933	0	34,665	34,665	0
1320-1000	Repl Res 1st Deposit	7,434	7,434	0	37,170	37,170	0
Total Debt Service		164,846	164,670	(176)	823,517	823,351	(166)
TOTAL OPER. EXP. BEFORE RES.		279,034	293,795	14,761	1,365,286	1,478,376	113,090

Accrual INCSUMDETAIL Property No: 232	COMPARATIVE OPERATING STATEMENT Fireside Park Apartments					Page: 4 Date: 6/12/2018 Time: 04:51 PM
	Current Period			Year-To-Date		
	Actual	Budget		Actual	Budget	
	May 2018	May 2018	Variance	May 2018	May 2018	Variance

NET PROFIT/LOSS BEFORE RES.		(28,411)	7,282	(35,694)	(106,807)	6,175	(112,982)
REPLACEMENT RESERVE EXPENSE:							
8000-0100	R & R--Furn-Fixtures	0	0	0	2,002	0	(2,002)
8000-1000	R & R--Refrigerators	0	500	500	1,504	2,500	996
8000-1500	R & R--Carpeting/Flooring	14,118	2,200	(11,918)	22,591	11,000	(11,591)
8000-2000	R & R--Stoves/Ranges	0	550	550	1,498	2,750	1,252
8000-2500	R & R--Dishwashers	0	450	450	1,966	2,250	284
8000-2700	R & R - Washers & Dryers	0	1,200	1,200	6,647	6,000	(647)
8000-3000	R & R--Disposals	0	90	90	567	450	(117)
8000-3500	R & R--Roofs	0	200	200	0	600	600
8000-5000	R & R--Cabinets/Counters	0	0	0	689	0	(689)
8000-6000	R & R--HVAC	0	0	0	5,203	3,000	(2,203)
8000-7000	R & R--Doors	0	100	100	953	500	(453)
8000-8000	R & R--Screen/Ven Blinds	0	100	100	243	500	257
8000-9000	R & R--Misc. Supplies	0	0	0	994	0	(994)
8000-9100	R & R--Lighting	0	0	0	1,078	0	(1,078)
8000-9300	R & R--Plumbing	0	0	0	10,484	0	(10,484)
8000-9400	R & R--Window Replacement	0	0	0	1,214	0	(1,214)
8000-9900	R & R--Misc. Contracts	0	0	0	6,257	0	(6,257)
8000-9850	R & R--Bed Bug Exterminat	0	850	850	0	4,250	4,250
Total Repl. Reserve Expenses		14,118	6,240	(7,878)	63,890	33,800	(30,090)
Repl. Reserve Reimbursement		0	0	0	0	(21,520)	(21,520)
Repl. Reserve Advance		0	0	0	0	0	0
Notes Pay - Partners (2004)		0	0	0	0	0	0
Residual Receipts Disbursement		0	0	0	0	0	0
Net Replacement Reserve		14,118	6,240	(7,878)	63,890	12,280	(51,610)
TOTAL OPERATING EXPENSES		293,152	300,035	6,882	1,429,176	1,490,656	61,480
NET OPERATING PROFIT(LOSS)		(42,530)	1,042	(43,572)	(170,697)	(6,105)	(164,592)
MORTGAGE ENTITY:							
Total Mortgage Entity		0	0	0	0	0	0
NET PROFIT (LOSS)		(42,530)	1,042	(43,572)	(170,697)	(6,105)	(164,592)
BALANCE SHEET ACTIVITY:							
4111-0000	Accum Deprec	67,297	0	67,297	336,487	0	336,487
6620-0000	Depreciation	(67,297)	0	(67,297)	(336,487)	0	(336,487)
2110-0100	Accounts Payable	34,909	0	34,909	144,436	0	144,436
1170-0001	A/R - Inter-Co - Comp 1	0	0	0	(158,279)	0	(158,279)
2110-0225	Accrued Utilities-Service	5,237	0	5,237	18,518	0	18,518
2110-0300	Accounts Payable-Prior Co	(2,500)	0	(2,500)	(21,579)	0	(21,579)
2111-8580	Life Insurance Withholdin	0	0	0	(12)	0	(12)
2130-1000	Accrued Interest Payable	0	0	0	(714)	0	(714)
2130-2000	Accrued Interest-Mortgage	4,264	0	4,264	21,321	0	21,321
2130-3000	Accrued Interest Payable	6,933	0	6,933	34,665	0	34,665
2194-0000	Security Deposit Refund	164	0	164	(1,343)	0	(1,343)
2191-0000	Security Deposits	(2,302)	0	(2,302)	(9,183)	0	(9,183)
1192-0000	Security Dep Trust Acct	16,699	0	16,699	16,693	0	16,693

Accrual
INCSUMDETAIL
Property No: 232

COMPARATIVE OPERATING STATEMENT

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Fireside Park Apartments

		Current Period			Year-To-Date		
		Actual	Budget		Actual	Budget	
		May 2018	May 2018	Variance	May 2018	May 2018	Variance
1140-0217	A/R - Stonegate Village	(224)	0	(224)	(224)	0	(224)
1142-0000	A/R Other	(1,300)	0	(1,300)	(1,300)	0	(1,300)
1152-0000	A/R-Previous Mgmt.Co.	(736)	0	(736)	(3,438)	0	(3,438)
1354-0000	Operating Reserve	19	0	19	(61,865)	0	(61,865)
1357-0000	Other Escrow	0	0	0	(93,055)	0	(93,055)
1148-0850	Accts. Rec.--Ins. Claims	(1,332)	0	(1,332)	(17,651)	0	(17,651)
1148-0900	Insurance Reimbursements	0	0	0	360,000	0	360,000
1600-1000	Water Payments Receivable	57	0	57	57	0	57
Total Balance Sheet		59,888	0	59,888	227,047	0	227,047
NET CASH FLOW		17,359	1,042	16,316	56,350	(6,105)	62,455

TAB 4

TENANT ACCOUNTS RECIEVABLE And RE-EXAM REPORT

PUBLIC HOUSING

REEXAMINATIONS

Annual Reexaminations Scheduled (Effective July 2018)	16
Annual Reexaminations Completed	16
Late Annual Reexaminations Completed	0
Late Annual Reexaminations to be Completed	0
Interim Reexaminations Completed	5
PIC Submission Rate as of May 31, 2018	100%

Comments: *None at this time.*

TENANT ACCOUNTS RECEIVABLE (TARs)

TARs as of 5/31/2018	\$ 17,741.68 (not including delinquent move-outs) Reprieves were given to 4 families owing \$50 or less.
Total TAR balance as of 6/10/2018	\$ 11,067.73
Repayment Agreements Executed	\$ 0
# Tenants Delinquent	19
<hr/>	
# Summons Issued	19
# Writs Issued	0

Comments:

PUBLIC HOUSING MANAGEMENT REPORT

Period: May 1-31, 2018

OCCUPANCY

<u>Total PH Units</u>	<u># Vacant – 4/30/18</u>	<u># Vacant 3/31/18</u>	<u>#Move-Ins</u>	<u>#Move-Outs</u>	<u># Vacant – 5/31/18</u>
105	6	5	0	0	6

% Units Occupied as of 05/31/18 95%

% Units Occupied as of 4/30/18 95%

APPLICATION PROCESSING

Processed – Unit Assigned/Move-In This Month 0

Processed - Unit Assigned/Move-in Next Month 0

Processed – Waiting for Unit Assignment 0

Processing in Progress/Not Complete 0

Comments

RHE will be pulling from the two and three bedroom waitlist once bi weekly

VACANT UNIT PREPARATION

<u>#Vacant – 05/31/18</u>	<u>#Units Made Ready</u>	<u>#Units Make Ready in Progress</u>
6	3	

Comments:

3 scattered site units offline during rehab

OTHER LEASE ENFORCEMENT ACTIVITIES

Lease Violation Notices 12

Summons Issued

Writs Issued

Comments:

EVICCTIONS

Non-payment of Rent (RHE has 0 scheduled evictions)

Other lease violations 0

Comments:

WORK ORDER COMPLETION

	<u># Incomplete</u> <u>06/01/18</u>	<u># Received</u>	<u># Completed</u>	<u># Incomplete</u> <u>05/31/18</u>
PH units	0	90	87	3
REL P		39	40	0
RHE Prop	0	1	1	0

Comments

RHEP MONTHLY COMPLIANCE REPORT

MONTH: May YEAR: 2018

Last Month	4
# Move-Ins	1
# Move-Outs	1
Total Units Occupied	4
# Units Vacant (available)	0
% of Total Units Occupied/Available	100% / 0%

Jessica Anderson

6/10/18

Signature of Owner's Authorized Representative

Date

TENANT ACCOUNTS RECEIVABLE (TARs)

RHEP 4 units

TARs as of 05/30/2018 reprieves given to RHEP families	\$2,789.80 (not including delinquent move-outs) 0
---	---

Total TAR balance of 6/10/2018 reprieves given to RHEP families	\$2,789.80 (not including delinquent move-outs) 0
--	---

Repayment Agreements Executed	\$ 0
-------------------------------	------

# Tenants Delinquent	1
----------------------	---

# Summons Issued	1
------------------	---

# Writs Issued	0
----------------	---

Comments: Court date scheduled for July 11, 2018

RELP ONE MONTHLY COMPLIANCE REPORT

The undersigned, as the authorized representative of the RELP One, hereby certifies that for the month recorded, (i) the following number of units in the Development were occupied by Lower Income Tenants and (ii) the following number and percentages of dwelling units in the Development were either occupied by Lower Income Tenants or were held vacant and available to such occupancy for all or part of such period:

MONTH: May YEAR: 2018

Tax Credit Qualified Residents
100% @ 60% AMI
(56 Units)

Last Month	48
# Move-Ins	2
# Move-Outs	1
Total Units Occupied	49
# Units Vacant (available)	7
% of Total Units Occupied/Available	88% / 12%

Jessica Anderson

06/10/18

Signature of Owner's Authorized Representative

Date

Comments: 1 unit is offline due to cabinet back order. There are currently 5 applications being processed. RHE has placed an ad on Apartments.com. 10 current leads from apartments.com ad.

TENANT ACCOUNTS RECEIVABLE (TAR)

RELP 56 units

TARs as of 05/30/2018	\$ 16,937.04 (not including delinquent move-outs)
Total TAR balance as of 6/10/2018 granted 0 reprieves to RELP families)	\$ 13,028.09 (not including the delinquent move out) RHE

Repayment Agreements Executed	\$ 0
-------------------------------	------

# Tenants Delinquent	8
# Summons Issued	8
# Writs Issued	0

Comments: Court date schedule for July 11, 2018 due to holiday falling on Wednesday

TAB 5

CALENDAR YEAR 2018 LEASING, HAP AND ADMIN FEE UTILIZATION

HA Name Rockville Housing Enterprises
HA Number MD 007

Unit Months		Unit Months		beginning balance	
Leased (excluding DVP)	Available (excluding DVP)	Over/(Under) Leased			
352	359			(7)	
353	359			(6)	
353	359			(6)	
337	359			(22)	
338	359			(21)	
				0	
				0	
				0	
				0	
				0	
				0	
1,733	1,795			(62)	

Leased Percentage -- 96.55%

HAP Funding
(excluding
DVP)

HAP Cost
(excluding
DVP)

\$	(95,443.00)	\$	376,201		
\$367,919.00	\$	376,201			
\$515,519.00	\$	426,843			
\$368,399.00	\$	379,407			
\$393,234.00	\$	378,159			
\$385,992.00	\$	397,692			
\$	1,935,620.00	\$	1,958,302	\$	(22,682.00)
					\$0
					\$0

HAP Utilization -- 101.17%

Homeownership Coordinator Report
By Susan A. Cheney
June 4, 2018
For month of May, 2018

Legacy at Lincoln Park, RHE Homeownership, Money Management and Credit Counseling Programs and Home Purchases

Legacy at Lincoln Park

- The seller of the townhouse at 132 Moore Dr. went to settlement on Thursday, May 31st. The sales price was \$422,000 and the RHE 2nd Trust of \$61,500 was paid in full. The Recapture Agreement formula to catch some of the profit did not indicate any additional proceeds due RHE. This is because the current sales price was close to the original purchase price of \$410,000 in September of 2008 and because the seller paid over \$20,000 in closing costs.
- We know of no other sales or rental activity at Legacy at this time. The properties all appear to remain in good repair and the common areas are well maintained.

Homeownership and Counseling and MPDUs

- RHE now has 7 active Housing Choice Voucher Homeownership participants. Five families are at Legacy at Lincoln Park and two are elsewhere in the City of Rockville. Of the five at Legacy, one is close to cycling off the program because of her higher income. She receives only \$48 per month in her voucher. One family is disabled and does not have a sunset date for participation in the program. A third participating household has a sunset date of 2030. Only two households who purchased when Legacy was first built are likely to reach their sunset date, which will occur at the end of 2022. Unless disabled, families can participate in the voucher homeownership program for 15 years.
- We have quite a few RHE residents who are seeking assistance on reviewing credit and with budgeting concerns. Once school is out, we often have even more families seek information and counseling.

TAB 6

FIRESIDE PARK APARTMENTS MONTHLY OCCUPANCY REPORT

MONTH: June

YEAR: 2018

As of 06/13/2018

	Affordable @ 50% AMI	Affordable @ 60% AMI	Affordable @ 80% AMI	Market	Total
Total Units	10	84	24	117	235
# Fire Units Down	4	11	3	14	32
Total Available Units Occupancy Baseline	6	73	21	103	203
Total Occupancy as of Previous Report	10	72	21	93	196
# Move-Ins	0	0	1	2	3
1 BR	0	0	0	1	1
2 BR	0	0	1	1	2
3 BR	0	0	0	0	0
# Move-Outs	0	2	1	2	5
1 BR	0	1	0	2	3
2 BR	0	1	1	0	2
3 BR	0	0	0	0	0
#Available Units Vacant	0	2	0	4	6
1 BR	0	0	0	0	0
2 BR	0	2	0	4	6
3 BR	0	0	0	0	0
Occupancy % of Total Available Units	100%	97%	100%	96%	97%
1 BR	0	5	3	6	14
2 BR	4	8	0	12	24
3 BR	0	0	0	0	0
Occupancy % of ALL Units (235)	60%	85%	88%	85%	84%

FIRESIDE PARK **PRE-LEASE ACTIVITY REPORT**

Fireside Park Inc. Pre Leasing Move Out Report As of 04/16/2018

Unit Type	Apr. PRE-LEASE MOVE INS	Apr. NOTICE TO VACATE	Net Effect to Occup	Unit Type	May PRE-LEASE MOVE INS	May NOTICE TO VACATE	Net Effect to Occup	Unit Type	Jun PRE-LEASE MOVE INS	Jun NOTICE TO VACATE	Net Effect to Occup	Unit Type	July PRE-LEASE MOVE INS	July NOTICE TO VACATE	Net Effect to Occup	Unit Type	Aug PRE-LEASE MOVE INS	Aug NOTICE TO VACATE	Net Effect to Occup	Unit Type	Sept. PRE-LEASE MOVE INS	Sept. NOTICE TO VACATE	Net Effect to Occup
1 B - 50 AMI				1 B - 50 AMI				1 B - 50 AMI	1	1	1	1 B - 50 AMI				1 B - 50 AMI				1 B - 50 AMI			
2 B - 60 AMI				1 B - 60 AMI		1	-1	1 B - 60 AMI	1	1	1	1 B - 60 AMI				1 B - 60 AMI				1 B - 60 AMI		1	-1
1 B - 80 AMI				1 B - 80 AMI		1	-1	1 B - 80 AMI				1 B - 80 AMI	1			1 B - 80 AMI				1 B - 80 AMI			
1 B - MARKET				1 B - MARKET		1	-1	1 B - MARKET	1	1	1	1 B - MARKET	1			1 B - MARKET				1 B - MARKET		1	-1
2 B - 50 AMI				2 B - 50 AMI				2 B - 50 AMI				2 B - 50 AMI				2 B - 50 AMI				2 B - 50 AMI			
2 B - 60 AMI	1		1	2 B - 60 AMI	1	1	0	2 B - 60 AMI			-1	2 B - 60 AMI		2	-2	2 B - 60 AMI				2 B - 60 AMI			
2 B - 80 AMI	1		1	2 B - 80 AMI	1	1	0	2 B - 80 AMI	2		1	2 B - 80 AMI	2		2	2 B - 80 AMI				2 B - 80 AMI			
2 B - MARKET	1	1	0	2 B - MARKET	1	1	0	2 B - MARKET	1	2	1	2 B - MARKET	1	5	-4	2 B - MARKET		1	-1	2 B - MARKET			
3 B - 60 AMI				3 B - 60 AMI				3 B - 60 AMI				3 B - 60 AMI				3 B - 60 AMI				3 B - 60 AMI			
3 B - 80 AMI				3 B - 80 AMI				3 B - 80 AMI				3 B - 80 AMI				3 B - 80 AMI				3 B - 80 AMI			
3 B - MARKET				3 B - MARKET				3 B - MARKET				3 B - MARKET				3 B - MARKET				3 B - MARKET			
APR TOTAL	3	1	2	MAY TOTAL	2	5	-3	JUN TOTAL	5	4	1	JUL TOTAL	5	7	-4	JUL TOTAL	0	1	-1	JUL TOTAL	0	2	-2

TAB 7



U.S. Department of Housing and Urban
OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

Public Housing Assessment System (PHAS) Score Report for Interim Rule

Report Date: 06/11/2018

PHA Code:	MD007
PHA Name:	Rockville Housing Enterprises
Fiscal Year End:	09/30/2017

PHAS Indicators	Score	Maximum Score
Physical	35	40
Financial	24	25
Management	23	25
Capital Fund	10	10
Late Penalty Points	0	
PHAS Total Score	92	100
Designation Status:	Small PHA Deregulation	

Published 06/11/2018

Initial published 02/08/2018

Financial Score Details	Score	Maximum Score
Audited/Single Audit		
1. FASS Score before deductions	23.86	25
2. Audit Penalties	0.00	
Total Financial Score Unrounded (FASS Score - Audit Penalties)	23.86	25

Capital Fund Score Details	Score	Maximum Score
Timeliness of Fund Obligation:		
1. Timeliness of Fund Obligation %	90.00	
2. Timeliness of Fund Obligation Points	5	5
Occupancy Rate:		
3. Occupancy Rate %	97.22	
4. Occupancy Rate Points	5	5
Total Capital Fund Score (Fund Obligation + Occupancy Rate):	10	10

Notes:

1. The scores in this Report are the official PHAS scores of record for your PHA. PHAS scores in other systems are not to be relied upon and are not being used by the Department.
2. Due to rounding, the sum of the PHAS indicator scores may not equal the overall PHAS score.
3. "0" FASS Score indicates a late presumptive failure. See 902.60 and 902.92 of the Interim PHAS rule.
4. "0" Total Capital Fund Score is due to score of "0" for Timeliness of Fund Obligation. See the Capital Fund
5. PHAS Interim Rule website - <http://www.hud.gov/offices/reac/products/prodphasinrule.cfm>

RHE

Audit

FYE

09/30/17

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
WITH INDEPENDENT AUDITORS' REPORT

Year Ended September 30, 2017

DRAFT

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Rockville Housing Enterprises
Rockville, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of Rockville Housing Enterprises (the Authority) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Rockville Housing Enterprises, as of September 30, 2017, and the respective changes in financial position and, where appropriate, cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 - 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedure did not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements.

The Financial Data Schedule, Statements and Certifications of Actual Capital Fund Program Costs, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us.

In our opinion, the Financial Data Schedule, Statements and Certifications of Actual Capital Fund Program Costs, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March ___, 2018 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Bethesda, Maryland
March ___, 2018

ROCKVILLE HOUSING ENTERPRISES
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2017

Management's Discussion and Analysis

The management of the Rockville Housing Enterprises (Authority or RHE) offers the readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial activities for the year ended September 30, 2017. This discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position, and identify individual program issues or concerns. Readers should consider the information presented here in conjunction with the Authority's financial statements to obtain a full understanding of its financial position.

This management's discussion and analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) to allow the reader to gain an adequate understanding of the Authority's annual operating results and financial position as of September 30, 2017.

Questions concerning the information provided in this discussion or requests for additional information should be addressed to the Authority's Executive Director.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$4,980,653 (net position) as compared to \$5,533,897 for the prior fiscal year.
- The Authority's cash and investments balance as of September 30, 2017 was \$736,330, representing a decrease of \$477,743 or 39.4% from September 30, 2016.
- The Authority had total revenues of \$6,784,831 and total expenses of \$7,338,075 for the year ended September 30, 2017.

Overview of the Financial Reports

The following outline describes the integral parts of this financial presentation and is a guideline for understanding its components:

- I. Management Discussion and Analysis (MD&A) - Serves as an introduction to the Authority's basic financial statements
- II. Basic Financial Statements - Authority-wide financial statements & notes to the financial statements
- III. Other Supplementary Information

ROCKVILLE HOUSING ENTERPRISES
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2017

Overview of the Financial Reports (continued)

The financial statements in this report are those of a special purpose governmental entity engaged in a business type activity. The following statements are included:

- Statement of Net Position – presents information about the Authority's assets and liabilities and is similar to a balance sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "current" (convertible to cash within one year), and "non-current." Increases or decreases in net position will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- Statement of Revenues, Expenses & Changes in Net Position – reports the Authority's revenues by source and type and its expenses by category to substantiate the change in net position for the fiscal year.
- Statement of Cash Flows – discloses net cash provided by, or used for operating activities, non-capital financing activities, and capital and related financing activities.

Our analysis of the Authority as a whole follows with the most important question, "Has the Authority's financial health improved or worsened as a result of the year's activities?" The following analysis of entity-wide net position, revenues, and expenses is provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual method of accounting, which recognizes revenue when earned and expenses when incurred regardless of when cash is received or paid.

ROCKVILLE HOUSING ENTERPRISES
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2017

Analysis of Authority-wide Net Position (Statement of Net Position)

Rockville Housing Enterprises
Comparative Statement of Net Position
TABLE I

	2017	2016	Total Change	% Change
Cash & Investments	\$ 736,330	\$ 1,214,073	\$ (477,743)	-39.35%
Other Current Assets	282,760	145,850	136,910	93.87%
Capital Assets	3,245,632	3,453,176	(207,544)	-6.01%
Other Noncurrent Assets	1,489,223	1,481,108	8,115	0.55%
Total Assets	\$ 5,753,945	\$ 6,294,207	\$ (540,262)	-8.58%
Current Liabilities	\$ 183,672	\$ 182,970	\$ 702	0.38%
Noncurrent Liabilities	589,620	577,340	12,280	2.13%
Total Liabilities	773,292	760,310	12,982	1.71%
Investment in Capital Assets	2,912,681	3,111,993	(199,312)	-6.40%
Restricted	-	666,834	(666,834)	-100.00%
Unrestricted, as restated	2,067,972	1,755,070	312,902	17.83%
Total Net Position	4,980,653	5,533,897	(553,244)	-10.00%
Total Liabilities & Net Position	\$ 5,753,945	\$ 6,294,207	\$ (540,262)	-8.58%

Total assets decreased by \$0.54 million or 8.58%. This decrease was mainly due to the Housing Choice Voucher Program's transition to Cash Management. As a result of the implementation of cash management, HUD transitioned over \$500,000 from RHE's net restricted asset account through a reduction in HAP funding.

Total liabilities increased slightly by \$13 thousand or 1.71%. Current liabilities increased by \$702 or 0.38% due mainly to an increase in tenant security deposits and accumulated compensated absences. Noncurrent liabilities decreased by \$12,280 or 2.13% primarily due to an increase in FSS esrow balances.

Total Net Position decreased by \$553 thousand or 10.00%, which is outlined in detail on the Statement of Revenues, Expenses and Changes in Net Position.

ROCKVILLE HOUSING ENTERPRISES
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2017

Analysis of Authority-Wide Revenue and Expenses (Statement of Revenues, Expenses and Change in Net Position)

The following table illustrates changes in revenues and expenses from FY 2016 to FY 2017:

Rockville Housing Enterprises				
Comparative Statement of Revenues, Expenses and Changes in Net Position				
TABLE II				
	2017	2016	Total Change	% Change
Revenue				
Tenant Revenue	\$ 613,101	\$ 542,089	\$ 71,012	13.10%
Grant Funding	5,689,096	6,974,598	(1,285,502)	-18.43%
Interest Income	1,845	1,625	220	13.54%
Other Income	480,789	349,713	131,076	37.48%
Total Revenue	6,784,831	7,868,025	(1,083,194)	-13.77%
Expenses				
Administration	1,094,414	980,420	113,994	11.63%
Tenant Services	118,740	81,849	36,891	45.07%
Utilities	209,876	196,639	13,237	6.73%
Maintenance	249,120	318,600	(69,480)	-21.81%
Protective Services	1,230	862	368	42.69%
General expense	130,252	230,649	(100,397)	-43.53%
Housing Assistance Payments	5,217,360	5,775,610	(558,250)	-9.67%
Interest	16,616	18,436	(1,820)	-9.87%
Depreciation	300,467	376,379	(75,912)	-20.17%
Total Expenses	7,338,075	7,979,444	(641,369)	-8.04%
Net Position				
Change in Net Position	(553,244)	(111,419)	(441,825)	396.54%
Beginning Net Position	5,533,897	5,645,316	(111,419)	-1.97%
Ending Net Position	\$ 4,980,653	\$ 5,533,897	\$ (553,244)	-10.00%

The federal government continued to fund operating grants at a level below total eligibility for the period ended September 30, 2017. With no signs of improvement in federal funding or economic conditions in the foreseeable future, the Authority is using proactive measures to review staff responsibilities and implementing cost management strategies. The Authority continuously looks for new ways to improve operations, control costs, maximize effectiveness, and demonstrate accountability.

ROCKVILLE HOUSING ENTERPRISES
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2017

Analysis of Authority-Wide Revenue and Expenses (Statement of Revenues, Expenses and Change in Net Position) (continued)

During the year, total revenue decreased by \$1.08 million or 13.77%. Tenant revenue increased by \$71,012 or 13.10% mainly due to aggressive rent collection efforts and lease enforcement. Total grant revenue increased by \$1.29 million or 18.43% due to an overall reduction in HAP funding by over \$500,000 and a reduction other HUD funding. Other revenue increased by \$131 thousand or 37.48% due mainly to an increase in funds received from soft second loan proceeds from the Legacy Homeownership soft seconds and an increase in portability payments received from other PHAs.

Total expenses decreased by \$641 thousand or 8.04% from FY 2016 to FY 2017. Administrative costs increased by \$113,994 or 11.63%. This was due to cost characterization changes of \$191,992 from "other expenses" in 2016 to the same costs in 2017 being characterized as "administrative". Utilities increased by \$13,237 or 6.73%. Tenant services increased by \$36,891 or 45.07% due primarily to 2017 being a fully funded ROSS grant recipient year. Maintenance and operations decreased by \$69,480 or 21.81% due to the decreased use of contractors, and increased reliance on housing authority staff. Protective services increased by \$368 or 42.69%. Housing assistance payments were \$558,250 lower (9.67%) due to HUD's transition to cash Management. Depreciation expense decreased by \$75,912, or 20.17% due to a number of buildings & site items being fully depreciated. General expenses were \$100,397 lower than last year due to a reduction in bad debt write offs stemming from uncollected mortgage receivables from Legacy soft second loans, that amount decreased by \$85,780 from 2016 to 2017. Interest expense decreased by \$1,820 or 9.87%, as a result of lower debt levels in relation to FY2016.

Capital Assets

During FY 2017, the Authority had total capital asset additions of \$92,923, consisting of Capital Fund grant additions of \$41,670, additions from CDBG of \$36,920, and additions from operations of \$14,333.

**ROCKVILLE HOUSING ENTERPRISES
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2017**

Rockville Housing Enterprises
Comparative Statement of Capital Assets

TABLE III

	2017	2016	Total Change	% Change
Land	\$ 425,575	\$ 425,575	\$ -	0.00%
Buildings & improvements	11,762,359	11,748,026	14,333	0.12%
Furniture & Equipment	283,281	283,281	-	0.00%
Construction in progress	78,590	-	78,590	100.00%
	12,549,805	12,456,882	92,923	0.75%
Accumulated Depreciation	(9,304,173)	(9,003,706)	(300,467)	3.34%
Total Capital Assets	\$ 3,245,632	\$ 3,453,176	\$ (207,544)	-6.01%

Reconciliation of Capital Assets

Balance as of October 1, 2016	\$ 3,453,176
Additions from CDBG	36,920
Additions from Capital Funds	41,670
Additions from Operations	14,333
Current period dispositions	-
Depreciation expense	(300,467)
Balance as of September 30, 2017	<u>\$ 3,245,632</u>

Debt Outstanding

As of the year-end, the Authority had outstanding debt of \$332,951 which was a reduction of \$8,232 from last year's balance of \$341,183. There were no new debt obligations during the year.

**ROCKVILLE HOUSING ENTERPRISES
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2017**

Economic Factors

Several significant economic factors are present that may impact the Authority in the future.

- Congressional funding of the Department of Housing and Urban Development, including any subsidy proration.
- The expiration of the frozen formula income provision has substantially decreased operating subsidy eligibility.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- Health care and other insurance costs are expected to increase dramatically over the next several years especially due to the Affordable Care Act.

Financial Contact

Questions concerning any of the information provided in this Management's Discussion & Analysis should be addressed to:

Jessica Anderson, Executive Director
Rockville Housing Enterprises
621 A. Southlawn Ave.
Rockville, MD 20850-1456
(301) 424-6265

ROCKVILLE HOUSING ENTERPRISES
STATEMENTS OF NET POSITION

ASSETS

	Primary Government September 30, 2017	Component Unit December 31, 2017	Total (Memorandum Only)
Current assets			
Cash and cash equivalents, unrestricted	\$ 279,635	\$ 53,299	\$ 332,934
Cash and cash equivalents, restricted	255,717	565,676	821,393
Investments, unrestricted	200,978	-	200,978
Accounts receivable, net	180,935	104,186	285,121
Notes receivable, current	79,200	-	79,200
Prepaid expenses and other current assets	22,625	136,374	158,999
Total current assets	<u>1,019,090</u>	<u>859,535</u>	<u>1,878,625</u>
Noncurrent assets			
Capital assets			
Land	425,575	5,259,200	5,684,775
Buildings and improvements	11,762,359	31,384,682	43,147,041
Furniture and equipment	283,281	331,785	615,066
Construction in progress	78,590	-	78,590
Less: Accumulated depreciation	(9,304,173)	(4,040,797)	(13,344,970)
Total capital assets	<u>3,245,632</u>	<u>32,934,870</u>	<u>36,180,502</u>
Notes receivable, noncurrent	1,488,303	-	1,488,303
Other assets	920	-	920
Total noncurrent assets	<u>4,734,855</u>	<u>32,934,870</u>	<u>37,669,725</u>
TOTAL ASSETS	<u>\$ 5,753,945</u>	<u>\$ 33,794,405</u>	<u>\$ 39,548,350</u>

The accompanying notes are an integral part of these financial statements.

ROCKVILLE HOUSING ENTERPRISES
STATEMENTS OF NET POSITION

LIABILITIES AND NET POSITION

	Primary Government September 30, 2017	Component Unit December 31, 2017	Total (Memorandum Only)
Current liabilities			
Accounts payable	\$ 45,785	\$ 500,077	\$ 545,862
Accrued liabilities	36,547	220,325	256,872
Accrued compensated absences, current	6,877	-	6,877
Tenant security deposits	51,685	75,818	127,503
Unearned revenue	10,111	39,225	49,336
Current portion of long-term debt	9,253	734,797	744,050
Other current liabilities	23,414	67	23,481
Total current liabilities	<u>183,672</u>	<u>1,570,309</u>	<u>1,753,981</u>
Noncurrent liabilities			
Long-term debt, net of current	323,698	32,886,165	33,209,863
Accrued compensated absences, noncurrent	61,890	-	61,890
Other noncurrent liabilities	204,032	-	204,032
Total noncurrent liabilities	<u>589,620</u>	<u>32,886,165</u>	<u>33,475,785</u>
Total liabilities	<u>773,292</u>	<u>34,456,474</u>	<u>35,229,766</u>
Net position			
Net investment in capital assets	2,912,681	(686,092)	2,226,589
Restricted net position	-	489,858	489,858
Unrestricted net position	2,067,972	(465,835)	1,602,137
Total net position	<u>4,980,653</u>	<u>(662,069)</u>	<u>4,318,584</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 5,753,945</u>	<u>\$ 33,794,405</u>	<u>\$ 39,548,350</u>

The accompanying notes are an integral part of these financial statements.

ROCKVILLE HOUSING ENTERPRISES
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Primary Government Year ended September 30, 2017	Component Unit Year ended December 31, 2017	Total (Memorandum Only)
Operating Revenues			
Dwelling rent	\$ 613,101	\$ 3,265,181	\$ 3,878,282
Government grants & subsidy	5,638,763	-	5,638,763
Other operating income	480,789	48	480,837
Total operating revenues	6,732,653	3,265,229	9,997,882
Operating Expenses			
Administration	1,094,414	420,645	1,515,059
Tenant services	118,740	21,033	139,773
Utilities	209,876	248,259	458,135
Maintenance & operations	249,120	537,073	786,193
Protective services	1,230	-	1,230
General expense	130,252	501,709	631,961
Housing assistance payments	5,217,360	-	5,217,360
Depreciation	300,467	814,744	1,115,211
Total operating expenses	7,321,459	2,543,463	9,864,922
Operating income (loss)	(588,806)	721,766	132,960
Non-operating revenues (expenses)			
Investment income	1,845	-	1,845
Interest expense	(16,616)	(1,177,577)	(1,194,193)
Total non-operating revenues (expenses)	(14,771)	(1,177,577)	(1,192,348)
Capital Grants	50,333	-	50,333
Increase (decrease) in net position	(553,244)	(455,811)	(1,009,055)
Net position, beginning of period	5,533,897	(206,258)	5,327,639
Net position, end of period	\$ 4,980,653	\$ (662,069)	\$ 4,318,584

The accompanying notes are an integral part of these financial statements.

ROCKVILLE HOUSING ENTERPRISES
STATEMENTS OF CASH FLOWS

	Primary Government Year ended September 30, 2017	Component Unit Year ended December 31, 2017	Total (Memorandum Only)
Cash flows from operating activities			
Receipts from customers and users	\$ 985,867	\$ 3,352,087	\$ 4,337,954
Government grants & subsidy - operations	5,609,216	-	5,609,216
Payments to suppliers	(805,433)	(1,026,267)	(1,831,700)
Payment to housing assistance	(5,217,360)	-	(5,217,360)
Payment to employees	(994,071)	(400,340)	(1,394,411)
Net cash flows provided (used) by operating activities	<u>(421,781)</u>	<u>1,925,480</u>	<u>1,503,699</u>
Cash flows from investing activities			
Proceeds from notes receivable	8,800	-	8,800
Escrow and security deposits paid	626	(2,710)	(2,084)
Investment in joint venture, net	(22)	-	(22)
Interest received	1,845	-	1,845
Net cash flows provided (used) by investing activities	<u>11,249</u>	<u>(2,710)</u>	<u>8,539</u>
Cash flows from capital and related financing activities			
Payment on mortgage & notes payable	(8,232)	(709,277)	(717,509)
Payment of interest	(16,616)	(1,177,577)	(1,194,193)
Capital grant proceeds	50,333	-	50,333
Purchase of capital assets	(92,923)	-	(92,923)
Net cash flows provided (used) by capital and related financing activities	<u>(67,438)</u>	<u>(1,886,854)</u>	<u>(1,954,292)</u>
NET INCREASE (DECREASE) IN CASH	(477,970)	35,916	(442,054)
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,013,322</u>	<u>583,059</u>	<u>1,596,381</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 535,352</u>	<u>\$ 618,975</u>	<u>\$ 1,154,327</u>

The accompanying notes are an integral part of these financial statements.

ROCKVILLE HOUSING ENTERPRISES
STATEMENTS OF CASH FLOWS

	Primary Government Year ended September 30, 2017	Component Unit Year ended December 31, 2017	Total (Memorandum Only)
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ (588,806)	\$ 721,766	132,960
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	300,467	814,744	1,115,211
Changes in operating assets and liabilities			
Decrease (increase) in accounts receivable	(143,066)	45,485	(97,581)
Decrease (increase) in prepaid expenses	(10,777)	9,041	(1,736)
Decrease (increase) in other assets	(187)	-	(187)
Increase (decrease) in accounts payable	(6,678)	311,245	304,567
Increase (decrease) in accrued liabilities	25,341	(2,025)	23,316
Increase (decrease) in unearned revenue	1,925	25,224	27,149
Net cash provided (used) by operating activities	\$ (421,781)	\$ 1,925,480	\$ 1,503,699

The accompanying notes are an integral part of these financial statements.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rockville Housing Enterprises have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Authority are described below.

A. Organization

Rockville Housing Enterprises ("The Authority") is a public body and a body corporate and politic organized under the laws of the State of Maryland for the purpose of providing adequate housing for qualified low-income individuals. The Agency is governed by a Board of Commissioners appointed by the Mayor of the City of Rockville, Maryland, subject to approval by the City Council, and has substantial autonomy. Additionally, the Authority has entered into annual contribution contracts with the U. S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein.

B. Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 and 61 of the Government Accounting Standards Board, the Financial Reporting Entity*. Based on these criteria, the following entities are included in the accompanying financial statements:

Rockville Housing Enterprises Corporation - This not-for-profit corporation was established to be the general partner in a low-income tax credit project known as RELP One, LP.

RHE Properties, Inc. - Established by Rockville Housing Enterprises to account for properties purchased and other future non-subsidies properties.

RHE Fireside Park, Inc. - Established by Rockville Housing Enterprises to acquire, hold, maintain and operate a 236-unit multi-family apartment known as Fireside Park Apartments. Its financial information is included as of December 31, 2017.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Reporting Entity (continued)

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Authority participates in the following joint ventures:

REL P One, LP - This is a limited partnership formed for the purpose of acquiring Moderately Priced Dwelling Units (MPDU). Rockville Housing Enterprises Corporation is the general partner and the Agency is entitled to their respective share of annual operating income or loss. The Authority has a .01% interest in the equity. The Authority made no contributions to the partnership during the year ended September 30, 2017. If terminated, the partnership would be distributed pro rata based on contributions.

Financial Accountability - The Authority is responsible for its debts, does not impose a financial burden on the City of Rockville and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

Imposition of Will - The County has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

During the review of the Authority's budgets, annual contributions contract, minutes of the Board of Commissioner's meetings, cash receipts and cash disbursements for the reporting period disclosed that the Authority operated the following programs under Annual Contributions Contracts:

Low Rent Public Housing Program - The objective of this program is to provide decent safe and sanitary housing and related facilities for eligible low-income families and the elderly.

Capital Fund Program - The objective of this program is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Reporting Entity (continued)

Housing Choice Voucher Program - This program provides rental assistance to help low-income families afford decent, safe and sanitary rental housing. The Authority provides rental assistance in the form of a Housing Assistance Payment to a landlord on behalf of the tenant.

Public Housing Self-Sufficiency under ROSS - This program promotes the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources to enable participating families to achieve economic independence and housing self-sufficiency.

Moderate Rehabilitation - This program provides project-based rental assistance for low income families. The program was repealed in 1991 and no new projects are authorized for development. Assistance is limited to properties previously rehabilitated pursuant to a housing assistance payments (HAP) contract between an owner and a Public Housing Agency (PHA).

Mainstream Vouchers - This program enable families having a person with disabilities to lease affordable private housing of their choice. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

Blended Component Units - The Authority administers two blended component units, known as Rockville Housing Enterprises Corporation and RHE Properties, Inc. These entities are considered blended component units because the Authority has financial accountability over them and controls their Board of Directors and management. Rockville Housing Enterprises Corporation is a not-for-profit corporation established to be the general partner in a low income tax credit project known as RELP One, LP. RHE Properties, Inc. is established by Rockville Housing Enterprises to account for properties purchased and other future non-subsidized properties.

Discretely Presented Component Units - RHE Fireside Park, Inc. is also established by Rockville Housing Enterprises to acquire, hold, maintain and operate a 236 unit multi-family apartment known as Fireside Park Apartments. Its financial information is included as of December 31, 2017.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation

Basis of Accounting - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on the statement of net position. Proprietary fund equity is segregated into three broad components:

Net investment in capital assets – This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

Restricted net position – This category consists of resources restricted in their use by (1) external groups such as grantors, creditors, or laws and regulations of other governments; or (2) law, through constitutional provisions and enabling legislation.

Unrestricted net position – This category includes all of the remaining resources that do not meet the definition of the other two categories.

The Authority uses the following fund:

Proprietary fund:

Enterprise fund - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Revenue and Expenses

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority's operating activities include rental related income, interest income and other sources of revenues that are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

E. Budgets

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its Governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

F. Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

G. Cash and Investments

The Authority cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments are stated at fair market value, except for U. S. Treasury Bills, which are reported at amortized cost. The Authority reports all money market investments having a remaining maturity at time of purchase of one year or less at amortized cost. Investment securities are normally held to mature at par value and adjustments are made to the investment portfolio to reflect increases/ (decreases) in gains made.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Accounts Receivable

All tenants' receivables are shown net of an allowance for uncollectible. The allowance for doubtful accounts is established based on periodic aging of receivables. No allowance is established for HUD and other governmental receivables since management believes that these amounts are fully collectible.

I. Capital Assets and Depreciation

Capital assets are stated at historical cost. Depreciation is calculated using the straight-line method. Donated capital assets are stated at their fair value on the date donated. This includes site acquisition and improvement, structures and equipment. All infrastructure assets were capitalized at the conclusion of development then dedicated to the County for maintenance and repairs. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Position. All assets will be capitalized if they have a useful life beyond one year and an original cost greater than \$5,000.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings & improvements	10-40 years
Furniture & fixtures	5-10 years
Equipment	3-10 years

J. Compensated Absences

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No.16, *Accounting for Compensated Absences*, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. The Agency's policy allows employees to accumulate unused vacation leave. Sick leave may be accumulated but not paid upon termination. Vacation and sick pay is recorded as an expense and related liability in the year earned by employees.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Operating Revenue

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position in the non-operating revenue and expense.

L. Insurance

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the fieldwork, the Authority had the required coverage in force.

M. New Accounting Pronouncements

During fiscal year 2017, the Authority did not implement any new pronouncements.

N. Board Terms

<u>Board Member</u>	<u>Term Expires</u>
Edward Duffy, Chairman	09/01/2018
Steven Marr, Vice Chairman	02/01/2019
Kenric Brooks, Commissioner	09/01/2018
Teresa Defino, Commissioner	04/01/2019
James Hedrick, Commissioner	10/01/2020

In addition to the above Commissioners, the Administrator of the Authority is Jessica Anderson, who serves on the Board as Secretary and is the Executive Director.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

2. CASH AND INVESTMENTS

All the deposits of Rockville Housing Enterprises are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. Rockville Housing Enterprises has no policy regarding custodial credit risk for deposits.

At September 30, 2017, the Authority's Primary Government cash and investments had a carrying amount of \$736,330 and bank balances of \$811,289. Of the bank balances held in various financial institutions, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method. Additionally, as of December 31, 2017, there were \$618,975 of cash and cash equivalents in the Discretely Presented Component Unit that are included in the agency-wide financial statements.

At September 30, 2017, the Authority's investment balances were as follows:

<u>Investment Type</u>	<u>Market Value</u>	<u>Maturity</u>	<u>Rating</u>
Certificate of Deposit	<u>\$ 200,978</u>	Greater than 3 Months	N/A

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's typically limits its investment portfolio to maturities of 12 months or less.

Credit risk - The Authority has no policy regarding credit risk.

Custodial credit risk - The Authority has no policy on custodial credit risk.

Concentration of credit risk - The Authority places no limit on the amount that it may invest in certificates of deposits. The Authority has no policy regarding credit risk.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

2. CASH AND INVESTMENTS (continued)

Restricted Cash and Investments

Primary Government

FSS Escrow	\$ 204,032
Security Deposits	<u>51,685</u>
	<u>\$ 255,717</u>

Component Unit

Restricted for Debt Service	\$ 489,858
Security Deposits	<u>75,818</u>
	<u>\$ 565,676</u>

Collateralization

As of September 30, 2017, the following securities were pledged as collateral to secure the deposits of Rockville Housing Enterprises:

<u>Description</u>	<u>CUSIP</u>	<u>Maturity Date</u>	<u>Coupon Rate</u>	<u>Value</u>
FHLMC Remic 3955 WD	3137AJAN4	11/15/2025	3.00%	\$1,007,814
FNMA Pool 256272	31371MT56	6/1/2026	5.50%	80,999
				<u>\$1,088,814</u>

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

3. ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2017 and December 31, 2017, consisted of the following:

Primary Government

Tenants (net of allowance of \$7,453)	\$ 7,453
Fraud recovery	2,742
Current notes receivable	79,200
Accounts receivable - miscellaneous	124,889
Accounts receivable - HUD other projects	39,504
Accrued interest receivable	<u>6,347</u>
	<u>\$ 260,135</u>

Component Unit

Tenants	\$ 95,086
Accounts receivable - HUD other projects	<u>9,100</u>
	<u>\$ 104,186</u>

4. PREPAID CHARGES AND OTHER ASSETS

Prepaid charges and other assets at September 30, 2017 and December 31, 2017, consisted of the following:

Primary Government

Prepaid expenses	<u>\$ 22,625</u>
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Component Unit

Prepaid insurance	\$ 3,257
Prepaid real estate taxes	127,045
Other current assets	<u>6,072</u>
	<u>\$ 136,374</u>

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

5. FIXED ASSETS

A summary of changes in capital assets is as follows:

<u>Primary Government</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Adjustments</u>	<u>Ending Balances</u>
Land	\$ 425,575	\$ -	\$ -	\$ -	\$ 425,575
Construction in Progress	-	78,590	-	-	78,590
Total capital assets not being depreciated	425,575	78,590	-	-	504,165
Buildings & improvements	11,748,026	14,333	-	-	11,762,359
Furniture & equipment	283,281	-	-	-	283,281
Total capital assets being depreciated	12,031,307	14,333	-	-	12,045,640
Accumulated Depreciation	(9,003,706)	(300,467)	-	-	(9,304,173)
Enterprise activity capital assets, net	\$ 3,453,176				\$ 3,245,632

<u>Component Unit</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Adjustments</u>	<u>Ending Balances</u>
Land	\$ 5,259,200	\$ -	\$ -	\$ -	\$ 5,259,200
Construction in Progress	-	-	-	-	-
Total capital assets not being depreciated	5,259,200	-	-	-	5,259,200
Buildings & improvements	31,384,682	-	-	-	31,384,682
Furniture & equipment	331,785	-	-	-	331,785
Total capital assets being depreciated	31,716,467	-	-	-	31,716,467
Accumulated Depreciation	(3,226,053)	(814,744)	-	-	(4,040,797)
Enterprise activity capital assets, net	\$ 33,749,614				\$ 32,934,870

6. NOTES RECEIVABLE

RHE obtained a \$250,000 grant to assist in financing units for RELP One, LP from the City of Rockville. RHE then entered into a Note to lend the money to RELP One, LP dated March 19, 2002. The note is due 42 years from the date of the note based on 1% interest after the first two years. Payments shall commence on December 31, 2005. Payments are limited to available cash flow. The balance at September 30, 2017 was \$161,103 all of which is non-current.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

6. NOTES RECEIVABLE (continued)

As a part of the agreement with HUD to demolish the Public Housing units known as Lincoln Terrace, the developer for the Legacy Development is required to make Release Payments as the new units are sold. As a part of the development agreement for the Legacy Development, when the buyers purchase property of the Legacy Development, the Authority obtains equity in a second mortgage which is noninterest bearing and not forgivable. The cumulative total of these second mortgage receivables at September 30, 2017, was \$1,406,400. Of this amount \$79,200 is current and \$1,327,200 is non-current.

7. INVESTMENT IN JOINT VENTURES

The Authority's Investment in Joint Ventures as of September 30, 2017 consisted of the tax-credit rental property, RELP One and the value of that ownership interest was 733.

8. ACCOUNTS PAYABLE & CURRENT LIABILITIES

Accounts payable and current liabilities at September 30, 2017 and December 31, 2017, consisted of the following:

Primary Government

Vendors and contractors payable	\$	4,812
Accrued wages/payroll taxes payable		36,547
Accrued compensated absences - current		6,877
Accounts payable - HUD PHA programs		8,034
Accounts payable - other government		32,939
Unearned revenue - prepaid rents		10,111
Long-term capital debt - current portion		9,253
Security Deposits		51,685
Accounts payable - RELP One		<u>23,414</u>
	\$	<u>183,672</u>

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

8. ACCOUNTS PAYABLE & CURRENT LIABILITIES (continued)

Component Unit

Vendors and contractors payable	\$ 500,077
Accrued interest payable	220,325
Unearned revenue - prepaid rents	39,225
Long-term capital debt - current portion	734,797
Security deposits	75,818
Other current liabilities	<u>67</u>
	<u>\$ 1,570,309</u>

9. NON-CURRENT LIABILITIES

Non-current liabilities at September 30, 2017 consisted of the following:

	Balance at 9/30/16	Increases	Decreases	Balance at 9/30/17	Current Portion of Balance
Compensated absences	\$ 64,196	\$43,822	\$ (39,251)	\$ 68,767	\$ 6,877
FSS escrows	<u>187,633</u>	<u>39,353</u>	<u>(22,954)</u>	<u>204,032</u>	<u>-</u>
	<u>\$ 251,829</u>	<u>\$83,175</u>	<u>\$ (62,205)</u>	<u>\$ 272,799</u>	<u>\$ 6,877</u>

10. LONG-TERM DEBT

Primary Government

On October 25, 2012, the Agency purchased a property at 343 Fallsgrove Drive, Rockville, Maryland which was partially funded through a mortgage payable. The mortgage matures on October 25, 2022. The interest rate on the mortgage is a fixed rate of 4.65%. The required monthly payments were \$555. The mortgage payable as of September 30, 2017, was \$85,952.

On November 30, 2012, the Agency obtained a mortgage on a property at 219 Jay Drive, Rockville, Maryland that the Agency had previously purchased for the purposes of obtaining funds to purchase future properties. The mortgage matures on November 30, 2022. The interest rate on the mortgage is a fixed rate of 4.57%. The required monthly payments were \$522. The mortgage payable as of September 30, 2017, was \$81,616.

ROCKVILLE HOUSING ENTERPRISES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

10. LONG-TERM DEBT (continued)

On July 15, 2013, the Agency obtained a mortgage on a property at 722 Garden View Drive, Rockville, Maryland that the Agency had previously purchased for the purposes of obtaining funds to purchase future properties. The mortgage matures on July 15, 2023. The interest rate on the mortgage is a fixed rate of 5.89%. The required monthly payments were \$582. The mortgage payable as of September 30, 2017, was \$82,672.

On July 15, 2013, the Agency purchased a property at 229 Cork Tree Lane, Rockville, Maryland which was partially funded through a mortgage payable. The mortgage matures on July 15, 2023. The interest rate on the mortgage is a fixed rate of 5.89%. The required monthly payments were \$582. The mortgage payable as of September 30, 2017, was \$82,711.

Component Unit

With the acquisition of Fireside Park Apartments, the Agency entered into a multifamily permanent note with Citibank, N.A. for \$32,400,000. The note matures on January 1, 2020 and accrues interest at an annual rate of 3.54%. The note requires monthly payments of \$146,215. The note is secured by the property. The balance as of December 31, 2017, was \$ 29,142,029.

The Fireside Park Apartments acquisition was also assisted by a \$1,800,000 deed of trust note from the City of Rockville, Maryland which matures on April 1, 2020. Interest on the note accrues at the rate of 3% per annum and interest only payments on the outstanding principal balance are due annually. Any principal payment is due 120 days after the fiscal year end and shall be 15% of net cash flow from the previous fiscal year. The note is secured by a second deed of trust. The balance as of December 31, 2017, was \$1,705,709. There was no positive cash flow in 2017, consequently, all amounts are considered long-term.

The Fireside Park Apartments acquisition was also assisted by a \$3,190,000 building loan agreement from the Montgomery County, Maryland which matures on April 1, 2020. Interest on the note accrues at the rate of 3% per annum and interest only payments on the outstanding principal balance are due annually. Any principal payment is due 120 days after the fiscal year end and shall be 15% of net cash flow from the previous fiscal year. The loan is secured by a third deed of trust. The balance as of December 31, 2017, was \$2,773,224. There was no positive cash flow in 2017, consequently, all amounts are considered long-term.

ROCKVILLE HOUSING ENTERPRISES
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10. LONG-TERM DEBT (continued)

A summary of changes in long-term debt is as follows:

<u>Primary Government</u>	<u>Beginning</u> <u>Balances</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending</u> <u>Balances</u>	<u>Current</u>
343 Fallsgrove Drive	\$ 88,295	\$ -	\$ 2,343	\$ 85,952	\$ 2,620
219 Jay Drive	83,850	-	2,234	81,616	2,495
722 Garden View Way	84,502	-	1,830	82,672	2,072
229 Cork Tree Lane	84,536	-	1,825	82,711	2,066
	<u>\$ 341,183</u>			<u>\$ 332,951</u>	<u>\$ 9,253</u>

<u>Component Unit</u>	<u>Beginning</u> <u>Balances</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending</u> <u>Balances</u>	<u>Current</u>
Citibank, N.A.	\$ 29,851,306	\$ -	\$ 709,277	\$ 29,142,029	\$ 734,797
City of Rockville	1,705,709	-	-	1,705,709	-
Montgomery County	2,773,224	-	-	2,773,224	-
	<u>\$ 34,330,239</u>			<u>\$ 33,620,962</u>	<u>\$ 734,797</u>

Principal and interest requirements for the long-term debt are as follows:

<u>Primary Government</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 9,253	\$ 17,324	\$ 26,577
2019	10,083	16,816	26,898
2020	10,619	16,280	26,898
2021	11,183	15,724	26,907
2022	11,779	15,147	26,925
2023	280,034	14,245	294,279
	<u>\$ 332,951</u>	<u>\$ 95,535</u>	<u>\$ 428,485</u>

<u>Component Unit</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 734,797	\$ 1,154,150	\$ 1,888,947
2019	761,235	1,127,712	1,888,947
2020	32,124,930	215,924	32,340,854
	<u>\$ 33,620,962</u>	<u>\$ 2,497,786</u>	<u>\$ 36,118,748</u>

ROCKVILLE HOUSING ENTERPRISES
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11. OTHER NOTE DISCLOSURES

A. Annual Contributions by Federal Agencies

Annual Contributions Contract D-131 - Pursuant to the Annual Contributions Contract HUD contributes an operating subsidy approved in the operating budget. For the year ended September 30, 2017, the subsidy paid was \$512,815.

B. Risk Management

The Authority is exposed to various risks of losses related to torts; theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claims & liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. There were no claims in excess of commercial coverage during the previous three years.

12. IMPAIRMENT OF CAPITAL ASSETS

In accordance with new financial reporting standards issued by the Government Accounting Standards Board's, Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. During the fiscal year ended September 30, 2017, Rockville Housing Enterprises experienced no permanent material impairments during the audit period.

13. PENSION AND PROFIT SHARING PLANS

A defined contribution retirement plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual accounts are to be determined instead of specifying the amount of benefits the individual is to receive.

The Authority has a profit sharing plan where eligible employees open separate accounts with the plan's administrator. The Authority contributes 6.5% of the employees' gross salary bi-weekly. The Authority has no liability once the employee is terminated. The Authority's contributions for the year ended September 30, 2017, were \$44,324 and covered wages totaled \$681,909.

14. ECONOMIC DEPENDENCY

The PHA Owned Housing Program is economically dependent on annual contributions and grants from HUD. The program operates at a loss prior to receiving the contributions and grants.

ROCKVILLE HOUSING ENTERPRISES
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15. RELATED PARTY TRANSACTIONS

There were no related party transactions to be reported for the fiscal year ended September 30, 2017.

16. COMMITMENTS AND CONTINGENCIES

Legal

The Authority is party to no pending or threatened legal actions arising from the normal course of its operations.

Grants and contracts

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of September 30, 2017.

Capital fund

The Authority receives capital funding each year for ongoing capital improvements and repairs and maintenance.

17. RESTRICTED NET POSITION

The restricted net position as of December 31, 2017 consisted of the following:

<u>Component Unit</u>	
Prepaid real estate taxes	\$ 139,538
Real estate escrow	243,375
Reserve for replacements	<u>106,945</u>
	<u>\$ 489,858</u>

ROCKVILLE HOUSING ENTERPRISES
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18. SUPPLEMENTAL INFORMATION

The supplemental information has been included in order to show the financial statements of the Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, Audit Guide. This is due to the fact that some supplemental information is reviewed by the field office and provides greater detail concerning the operations of the Authority.

20. SUBSEQUENT EVENTS

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the activity of the Authority through March __, 2018 (the date the financial statements were available to be issued) and identified the following events that require disclosure in the notes to the financial statement.

The Authority is in the process refinancing the debt on the Fireside project. The terms are being negotiated based on the initial bank commitments. As such, no amounts related to this refinancing have been recognized in the financial statements.

The Authority suffered a fire at one of its projects on February 2, 2018 which damaged several units. Management believes all damages are covered by insurance and is working with the insurance company to make the necessary repairs and renovations. Rental income in 2018 could be impacted by this event.

ROCKVILLE HOUSING ENTERPRISES
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	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program
111 Cash - Unrestricted	213,455	21,872	-
112 Cash - Restricted - Modernization and Development	-	-	-
113 Cash - Other Restricted	63,035	-	-
114 Cash - Tenant Security Deposits	50,485	1,200	-
115 Cash - Restricted for Payment of Current Liabilities	-	-	-
100 Total Cash	326,975	23,072	-
121 Accounts Receivable - PHA Projects	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-
124 Accounts Receivable - Other Government	-	-	-
125 Accounts Receivable - Miscellaneous	72,802	52,087	-
126 Accounts Receivable - Tenants	12,642	2,264	-
126.1 Allowance for Doubtful Accounts - Tenants	(6,321)	(1,132)	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	79,200	-
128 Fraud Recovery	5,484	-	-
128.1 Allowance for Doubtful Accounts - Fraud	(2,742)	-	-
129 Accrued Interest Receivable	6,274	73	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	88,139	132,492	-
131 Investments - Unrestricted	-	200,978	-
132 Investments - Restricted	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-
142 Prepaid Expenses and Other Assets	21,720	905	-
143 Inventories	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-
144 Inter Program Due From	-	-	-
145 Assets Held for Sale	-	-	-
150 Total Current Assets	436,834	357,447	-
161 Land	424,235	-	-
162 Buildings	11,293,188	469,171	-
163 Furniture, Equipment & Machinery - Dwellings	88,137	4,445	-
164 Furniture, Equipment & Machinery - Administration	144,791	-	-
165 Leasehold Improvements	-	-	-
166 Accumulated Depreciation	(9,185,224)	(73,041)	-
167 Construction in Progress	41,670	-	-
168 Infrastructure	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	2,806,797	400,575	-
171 Notes, Loans and Mortgages Receivable - Non-Current	161,103	1,327,200	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-
173 Grants Receivable - Non Current	-	-	-
174 Other Assets	187	-	-
176 Investments in Joint Ventures	-	733	-
180 Total Non-Current Assets	2,968,087	1,728,508	-
200 Deferred Outflow of Resources	-	-	-
290 Total Assets and Deferred Outflow of Resources	3,404,921	2,085,955	-

ROCKVILLE HOUSING ENTERPRISES
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	14.870 Resident Opportunity and Supportive Services	6.1 Component Unit - Discretely Presented	14.879 Mainstream Vouchers
111 Cash - Unrestricted	-	53,299	3,076
112 Cash - Restricted - Modernization and Development	-	-	-
113 Cash - Other Restricted	-	489,858	-
114 Cash - Tenant Security Deposits	-	75,818	-
115 Cash - Restricted for Payment of Current Liabilities	-	-	-
100 Total Cash	-	618,975	3,076
121 Accounts Receivable - PHA Projects	-	9,100	-
122 Accounts Receivable - HUD Other Projects	-	-	30,116
124 Accounts Receivable - Other Government	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-
126 Accounts Receivable - Tenants	-	95,086	-
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-
128 Fraud Recovery	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-
129 Accrued Interest Receivable	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	-	104,186	30,116
131 Investments - Unrestricted	-	-	-
132 Investments - Restricted	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-
142 Prepaid Expenses and Other Assets	-	136,374	-
143 Inventories	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-
144 Inter Program Due From	-	-	-
145 Assets Held for Sale	-	-	-
150 Total Current Assets	-	859,535	33,192
161 Land	-	5,259,200	-
162 Buildings	-	31,384,682	-
163 Furniture, Equipment & Machinery - Dwellings	-	331,785	-
164 Furniture, Equipment & Machinery - Administration	-	-	-
165 Leasehold Improvements	-	-	-
166 Accumulated Depreciation	-	(4,040,797)	-
167 Construction in Progress	-	-	-
168 Infrastructure	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	-	32,934,870	-
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-
173 Grants Receivable - Non Current	-	-	-
174 Other Assets	-	-	-
176 Investments in Joint Ventures	-	-	-
180 Total Non-Current Assets	-	32,934,870	-
200 Deferred Outflow of Resources	-	-	-
290 Total Assets and Deferred Outflow of Resources	-	33,794,405	33,192

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
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	14.871 Housing Choice Vouchers	14.269 Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.856 Lower Income Housing Assistance Program_Section 8 Moderate
111 Cash - Unrestricted	10,233	-	30,999
112 Cash - Restricted - Modernization and Development	-	-	-
113 Cash - Other Restricted	140,997	-	-
114 Cash - Tenant Security Deposits	-	-	-
115 Cash - Restricted for Payment of Current Liabilities	-	-	-
100 Total Cash	151,230	-	30,999
121 Accounts Receivable - PHA Projects	-	-	-
122 Accounts Receivable - HUD Other Projects	9,388	-	-
124 Accounts Receivable - Other Government	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-
126 Accounts Receivable - Tenants	-	-	-
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-
128 Fraud Recovery	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-
129 Accrued Interest Receivable	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	9,388	-	-
131 Investments - Unrestricted	-	-	-
132 Investments - Restricted	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-
142 Prepaid Expenses and Other Assets	-	-	-
143 Inventories	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-
144 Inter Program Due From	64,251	-	-
145 Assets Held for Sale	-	-	-
150 Total Current Assets	224,869	-	30,999
161 Land	1,340	-	-
162 Buildings	-	-	-
163 Furniture, Equipment & Machinery - Dwellings	45,908	-	-
164 Furniture, Equipment & Machinery - Administration	-	-	-
165 Leasehold Improvements	-	-	-
166 Accumulated Depreciation	(45,908)	-	-
167 Construction in Progress	-	36,920	-
168 Infrastructure	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	1,340	36,920	-
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-
173 Grants Receivable - Non Current	-	-	-
174 Other Assets	-	-	-
176 Investments in Joint Ventures	-	-	-
180 Total Non-Current Assets	1,340	36,920	-
200 Deferred Outflow of Resources	-	-	-
290 Total Assets and Deferred Outflow of Resources	226,209	36,920	30,999

ROCKVILLE HOUSING ENTERPRISES
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	Subtotal	ELIM	Total
111 Cash - Unrestricted	332,934	-	332,934
112 Cash - Restricted - Modernization and Development	-	-	-
113 Cash - Other Restricted	693,890	-	693,890
114 Cash - Tenant Security Deposits	127,503	-	127,503
115 Cash - Restricted for Payment of Current Liabilities	-	-	-
100 Total Cash	1,154,327	-	1,154,327
121 Accounts Receivable - PHA Projects	9,100	-	9,100
122 Accounts Receivable - HUD Other Projects	39,504	-	39,504
124 Accounts Receivable - Other Government	-	-	-
125 Accounts Receivable - Miscellaneous	124,889	-	124,889
126 Accounts Receivable - Tenants	109,992	-	109,992
126.1 Allowance for Doubtful Accounts - Tenants	(7,453)	-	(7,453)
126.2 Allowance for Doubtful Accounts - Other	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	79,200	-	79,200
128 Fraud Recovery	5,484	-	5,484
128.1 Allowance for Doubtful Accounts - Fraud	(2,742)	-	(2,742)
129 Accrued Interest Receivable	6,347	-	6,347
120 Total Receivables, Net of Allowances for Doubtful Accounts	364,321	-	364,321
131 Investments - Unrestricted	200,978	-	200,978
132 Investments - Restricted	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-
142 Prepaid Expenses and Other Assets	158,999	-	158,999
143 Inventories	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-
144 Inter Program Due From	64,251	(64,251)	-
145 Assets Held for Sale	-	-	-
150 Total Current Assets	1,942,876	(64,251)	1,878,625
161 Land	5,684,775	-	5,684,775
162 Buildings	43,147,041	-	43,147,041
163 Furniture, Equipment & Machinery - Dwellings	470,275	-	470,275
164 Furniture, Equipment & Machinery - Administration	144,791	-	144,791
165 Leasehold Improvements	-	-	-
166 Accumulated Depreciation	(13,344,970)	-	(13,344,970)
167 Construction in Progress	78,590	-	78,590
168 Infrastructure	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	36,180,502	-	36,180,502
171 Notes, Loans and Mortgages Receivable - Non-Current	1,488,303	-	1,488,303
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-
173 Grants Receivable - Non Current	-	-	-
174 Other Assets	187	-	187
176 Investments in Joint Ventures	733	-	733
180 Total Non-Current Assets	37,669,725	-	37,669,725
200 Deferred Outflow of Resources	-	-	-
290 Total Assets and Deferred Outflow of Resources	39,612,601	(64,251)	39,548,350

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	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program
311 Bank Overdraft	-	-	-
312 Accounts Payable <= 90 Days	4,801	-	-
313 Accounts Payable >90 Days Past Due	-	-	-
321 Accrued Wage/Payroll Taxes Payable	23,207	-	-
322 Accrued Compensated Absences - Current Portion	4,465	-	-
324 Accrued Contingency Liability	-	-	-
325 Accrued Interest Payable	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-
332 Account Payable - PHA Projects	-	-	-
333 Accounts Payable - Other Government	-	-	-
341 Tenant Security Deposits	50,485	1,200	-
342 Unearned Revenue	9,836	275	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	9,253	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-
345 Other Current Liabilities	-	23,414	-
346 Accrued Liabilities - Other	-	-	-
347 Inter Program - Due To	-	-	-
348 Loan Liability - Current	-	-	-
310 Total Current Liabilities	92,794	34,142	-
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	323,698	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-
353 Non-current Liabilities - Other	63,035	-	-
354 Accrued Compensated Absences - Non Current	40,183	-	-
355 Loan Liability - Non Current	-	-	-
356 FASB 5 Liabilities	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-
350 Total Non-Current Liabilities	103,218	323,698	-
300 Total Liabilities	196,012	357,840	-
400 Deferred Inflow of Resources	-	-	-
508.3 Nonspendable Fund Balance	-	-	-
508.4 Net Investment in Capital Assets	2,806,797	67,624	-
509.3 Restricted Fund Balance	-	-	-
510.3 Committed Fund Balance	-	-	-
511.3 Assigned Fund Balance	-	-	-
511.4 Restricted Net Position	-	-	-
512.3 Unassigned Fund Balance	-	-	-
512.4 Unrestricted Net Position	402,112	1,660,491	-
513 Total Equity - Net Assets / Position	3,208,909	1,728,115	-
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	3,404,921	2,085,955	-

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	14.870 Resident Opportunity and Supportive Services	6.1 Component Unit - Discretely Presented	14.879 Mainstream Vouchers
311 Bank Overdraft	-	-	-
312 Accounts Payable <= 90 Days	-	500,077	-
313 Accounts Payable >90 Days Past Due	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	2,925
322 Accrued Compensated Absences - Current Portion	-	-	844
324 Accrued Contingency Liability	-	-	-
325 Accrued Interest Payable	-	220,325	-
331 Accounts Payable - HUD PHA Programs	-	-	-
332 Account Payable - PHA Projects	-	-	-
333 Accounts Payable - Other Government	-	-	-
341 Tenant Security Deposits	-	75,818	-
342 Unearned Revenue	-	39,225	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	734,797	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-
345 Other Current Liabilities	-	67	-
346 Accrued Liabilities - Other	-	-	-
347 Inter Program - Due To	-	-	64,251
348 Loan Liability - Current	-	-	-
310 Total Current Liabilities	-	1,570,309	68,020
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	32,886,165	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-
353 Non-current Liabilities - Other	-	-	-
354 Accrued Compensated Absences - Non Current	-	-	7,596
355 Loan Liability - Non Current	-	-	-
356 FASB 5 Liabilities	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-
350 Total Non-Current Liabilities	-	32,886,165	7,596
300 Total Liabilities	-	34,456,474	75,616
400 Deferred Inflow of Resources	-	-	-
508.3 Nonspendable Fund Balance	-	-	-
508.4 Net Investment in Capital Assets	-	(686,092)	-
509.3 Restricted Fund Balance	-	-	-
510.3 Committed Fund Balance	-	-	-
511.3 Assigned Fund Balance	-	-	-
511.4 Restricted Net Position	-	489,858	-
512.3 Unassigned Fund Balance	-	-	-
512.4 Unrestricted Net Position	-	(465,835)	(42,424)
513 Total Equity - Net Assets / Position	-	(662,069)	(42,424)
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	-	33,794,405	33,192

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	14.871 Housing Choice Vouchers	14.269 Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.856 Lower Income Housing Assistance Program_Section 8 Moderate
311 Bank Overdraft	-	-	-
312 Accounts Payable <= 90 Days	11	-	-
313 Accounts Payable >90 Days Past Due	-	-	-
321 Accrued Wage/Payroll Taxes Payable	10,415	-	-
322 Accrued Compensated Absences - Current Portion	1,568	-	-
324 Accrued Contingency Liability	-	-	-
325 Accrued Interest Payable	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	8,034
332 Account Payable - PHA Projects	32,939	-	-
333 Accounts Payable - Other Government	-	-	-
341 Tenant Security Deposits	-	-	-
342 Unearned Revenue	-	-	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-
345 Other Current Liabilities	-	-	-
346 Accrued Liabilities - Other	-	-	-
347 Inter Program - Due To	-	-	-
348 Loan Liability - Current	-	-	-
310 Total Current Liabilities	44,933	-	8,034
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-
353 Non-current Liabilities - Other	140,997	-	-
354 Accrued Compensated Absences - Non Current	14,111	-	-
355 Loan Liability - Non Current	-	-	-
356 FASB 5 Liabilities	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-
350 Total Non-Current Liabilities	155,108	-	-
300 Total Liabilities	200,041	-	8,034
400 Deferred Inflow of Resources	-	-	-
508.3 Nonspendable Fund Balance	-	-	-
508.4 Net Investment in Capital Assets	1,340	36,920	-
509.3 Restricted Fund Balance	-	-	-
510.3 Committed Fund Balance	-	-	-
511.3 Assigned Fund Balance	-	-	-
511.4 Restricted Net Position	-	-	-
512.3 Unassigned Fund Balance	-	-	-
512.4 Unrestricted Net Position	24,828	-	22,965
513 Total Equity - Net Assets / Position	26,168	36,920	22,965
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	226,209	36,920	30,999

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
BALANCE SHEET SUMMARY
September 30, 2017

	Subtotal	ELIM	Total
311 Bank Overdraft	-	-	-
312 Accounts Payable <= 90 Days	504,889	-	504,889
313 Accounts Payable >90 Days Past Due	-	-	-
321 Accrued Wage/Payroll Taxes Payable	36,547	-	36,547
322 Accrued Compensated Absences - Current Portion	6,877	-	6,877
324 Accrued Contingency Liability	-	-	-
325 Accrued Interest Payable	220,325	-	220,325
331 Accounts Payable - HUD PHA Programs	8,034	-	8,034
332 Account Payable - PHA Projects	32,939	-	32,939
333 Accounts Payable - Other Government	-	-	-
341 Tenant Security Deposits	127,503	-	127,503
342 Unearned Revenue	49,336	-	49,336
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	744,050	-	744,050
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-
345 Other Current Liabilities	23,481	-	23,481
346 Accrued Liabilities - Other	-	-	-
347 Inter Program - Due To	64,251	(64,251)	-
348 Loan Liability - Current	-	-	-
310 Total Current Liabilities	1,818,232	(64,251)	1,753,981
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	33,209,863	-	33,209,863
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-
353 Non-current Liabilities - Other	204,032	-	204,032
354 Accrued Compensated Absences - Non Current	61,890	-	61,890
355 Loan Liability - Non Current	-	-	-
356 FASB 5 Liabilities	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-
350 Total Non-Current Liabilities	33,475,785	-	33,475,785
300 Total Liabilities	35,294,017	(64,251)	35,229,766
400 Deferred Inflow of Resources	-	-	-
508.3 Nonspendable Fund Balance	-	-	-
508.4 Net Investment in Capital Assets	2,226,589	-	2,226,589
509.3 Restricted Fund Balance	-	-	-
510.3 Committed Fund Balance	-	-	-
511.3 Assigned Fund Balance	-	-	-
511.4 Restricted Net Position	489,858	-	489,858
512.3 Unassigned Fund Balance	-	-	-
512.4 Unrestricted Net Position	1,602,137	-	1,602,137
513 Total Equity - Net Assets / Position	4,318,584	-	4,318,584
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	39,612,601	(64,251)	39,548,350

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
September 30, 2017

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program
70300 Net Tenant Rental Revenue	522,053	56,036	-
70400 Tenant Revenue - Other	33,827	1,185	-
70500 Total Tenant Revenue	555,880	57,221	-
70600 HUD PHA Operating Grants	629,383	-	56,230
70610 Capital Grants	50,333	-	-
70710 Management Fee	-	-	-
70720 Asset Management Fee	-	-	-
70730 Book Keeping Fee	-	-	-
70740 Front Line Service Fee	-	-	-
70750 Other Fees	-	-	-
70700 Total Fee Revenue	-	-	-
70800 Other Government Grants	-	-	-
71100 Investment Income - Unrestricted	1,626	219	-
71200 Mortgage Interest Income	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-
71310 Cost of Sale of Assets	-	-	-
71400 Fraud Recovery	-	-	-
71500 Other Revenue	120,199	69,013	-
71600 Gain or Loss on Sale of Capital Assets	-	-	-
72000 Investment Income - Restricted	-	-	-
70000 Total Revenue	1,357,421	126,453	56,230
91100 Administrative Salaries	327,833	-	-
91200 Auditing Fees	14,840	500	-
91300 Management Fee	-	-	-
91310 Book-keeping Fee	-	-	-
91400 Advertising and Marketing	118	-	-
91500 Employee Benefit contributions - Administrative	74,155	-	-
91600 Office Expenses	199,176	3,868	-
91700 Legal Expense	20,250	10,112	-
91800 Travel	10,267	-	-
91810 Allocated Overhead	-	-	-
91900 Other	-	-	-
91000 Total Operating - Administrative	646,639	14,480	-
92000 Asset Management Fee	-	-	-
92100 Tenant Services - Salaries	-	-	51,062
92200 Relocation Costs	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	5,168
92400 Tenant Services - Other	-	-	-
92500 Total Tenant Services	-	-	56,230
93100 Water	59,532	-	-
93200 Electricity	82,556	607	-
93300 Gas	3,314	68	-
93400 Fuel	4,800	-	-
93500 Labor	-	-	-
93600 Sewer	58,718	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-
93800 Other Utilities Expense	-	281	-
93000 Total Utilities	208,920	956	-

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
September 30, 2017

	14.870 Resident Opportunity and Supportive Services	6.1 Component Unit - Discretely Presented	14.879 Mainstream Vouchers
70300 Net Tenant Rental Revenue	-	3,171,852	-
70400 Tenant Revenue - Other	-	93,329	-
70500 Total Tenant Revenue	-	3,265,181	-
70600 HUD PHA Operating Grants	62,510	-	698,373
70610 Capital Grants	-	-	-
70710 Management Fee	-	-	-
70720 Asset Management Fee	-	-	-
70730 Book Keeping Fee	-	-	-
70740 Front Line Service Fee	-	-	-
70750 Other Fees	-	-	-
70700 Total Fee Revenue	-	-	-
70800 Other Government Grants	-	-	-
71100 Investment Income - Unrestricted	-	-	-
71200 Mortgage Interest Income	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-
71310 Cost of Sale of Assets	-	-	-
71400 Fraud Recovery	-	-	-
71500 Other Revenue	-	48	-
71600 Gain or Loss on Sale of Capital Assets	-	-	-
72000 Investment Income - Restricted	-	-	-
70000 Total Revenue	62,510	3,265,229	698,373
91100 Administrative Salaries	-	125,820	50,031
91200 Auditing Fees	-	-	-
91300 Management Fee	-	106,028	-
91310 Book-keeping Fee	-	-	-
91400 Advertising and Marketing	-	47,392	-
91500 Employee Benefit contributions - Administrative	-	22,612	26,798
91600 Office Expenses	-	50,826	12,007
91700 Legal Expense	-	7,017	-
91800 Travel	-	6,879	-
91810 Allocated Overhead	-	-	-
91900 Other	-	54,071	-
91000 Total Operating - Administrative	-	420,645	88,836
92000 Asset Management Fee	-	21,033	-
92100 Tenant Services - Salaries	50,058	-	-
92200 Relocation Costs	-	-	-
92300 Employee Benefit Contributions - Tenant Services	4,952	-	-
92400 Tenant Services - Other	7,500	-	-
92500 Total Tenant Services	62,510	-	-
93100 Water	-	224,982	-
93200 Electricity	-	33,312	-
93300 Gas	-	47,545	-
93400 Fuel	-	-	-
93500 Labor	-	-	-
93600 Sewer	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-
93800 Other Utilities Expense	-	(57,580)	-
93000 Total Utilities	-	248,259	-

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
September 30, 2017

	14.871 Housing Choice Vouchers	14.269 Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
70300 Net Tenant Rental Revenue	-	-	-	3,749,941
70400 Tenant Revenue - Other	-	-	-	128,341
70500 Total Tenant Revenue	-	-	-	3,878,282
70600 HUD PHA Operating Grants	4,119,311	-	36,036	5,601,843
70610 Capital Grants	-	-	-	50,333
70710 Management Fee	-	-	-	-
70720 Asset Management Fee	-	-	-	-
70730 Book Keeping Fee	-	-	-	-
70740 Front Line Service Fee	-	-	-	-
70750 Other Fees	-	-	-	-
70700 Total Fee Revenue	-	-	-	-
70800 Other Government Grants	-	36,920	-	36,920
71100 Investment Income - Unrestricted	-	-	-	1,845
71200 Mortgage Interest Income	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-
71400 Fraud Recovery	-	-	-	-
71500 Other Revenue	291,577	-	-	480,837
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-
70000 Total Revenue	4,410,888	36,920	36,036	10,050,060
91100 Administrative Salaries	237,117	-	-	740,801
91200 Auditing Fees	4,360	-	2,000	21,700
91300 Management Fee	-	-	-	106,028
91310 Book-keeping Fee	-	-	-	-
91400 Advertising and Marketing	-	-	-	47,510
91500 Employee Benefit contributions - Administrative	16,996	-	-	140,561
91600 Office Expenses	75,683	-	-	341,560
91700 Legal Expense	2,112	-	-	39,491
91800 Travel	6,191	-	-	23,337
91810 Allocated Overhead	-	-	-	-
91900 Other	-	-	-	54,071
91000 Total Operating - Administrative	342,459	-	2,000	1,515,059
92000 Asset Management Fee	-	-	-	21,033
92100 Tenant Services - Salaries	-	-	-	101,120
92200 Relocation Costs	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	10,120
92400 Tenant Services - Other	-	-	-	7,500
92500 Total Tenant Services	-	-	-	118,740
93100 Water	-	-	-	284,514
93200 Electricity	-	-	-	116,475
93300 Gas	-	-	-	50,927
93400 Fuel	-	-	-	4,800
93500 Labor	-	-	-	-
93600 Sewer	-	-	-	58,718
93700 Employee Benefit Contributions - Utilities	-	-	-	-
93800 Other Utilities Expense	-	-	-	(57,299)
93000 Total Utilities	-	-	-	458,135

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
September 30, 2017

	ELIM	Total
70300 Net Tenant Rental Revenue	-	3,749,941
70400 Tenant Revenue - Other	-	128,341
70500 Total Tenant Revenue	-	3,878,282
70600 HUD PHA Operating Grants	-	5,601,843
70610 Capital Grants	-	50,333
70710 Management Fee	-	-
70720 Asset Management Fee	-	-
70730 Book Keeping Fee	-	-
70740 Front Line Service Fee	-	-
70750 Other Fees	-	-
70700 Total Fee Revenue	-	-
70800 Other Government Grants	-	36,920
71100 Investment Income - Unrestricted	-	1,845
71200 Mortgage Interest Income	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-
71310 Cost of Sale of Assets	-	-
71400 Fraud Recovery	-	-
71500 Other Revenue	-	480,837
71600 Gain or Loss on Sale of Capital Assets	-	-
72000 Investment Income - Restricted	-	-
70000 Total Revenue	-	10,050,060
91100 Administrative Salaries	-	740,801
91200 Auditing Fees	-	21,700
91300 Management Fee	-	106,028
91310 Book-keeping Fee	-	-
91400 Advertising and Marketing	-	47,510
91500 Employee Benefit contributions - Administrative	-	140,561
91600 Office Expenses	-	341,560
91700 Legal Expense	-	39,491
91800 Travel	-	23,337
91810 Allocated Overhead	-	-
91900 Other	-	54,071
91000 Total Operating - Administrative	-	1,515,059
92000 Asset Management Fee	-	21,033
92100 Tenant Services - Salaries	-	101,120
92200 Relocation Costs	-	-
92300 Employee Benefit Contributions - Tenant Services	-	10,120
92400 Tenant Services - Other	-	7,500
92500 Total Tenant Services	-	118,740
93100 Water	-	284,514
93200 Electricity	-	116,475
93300 Gas	-	50,927
93400 Fuel	-	4,800
93500 Labor	-	-
93600 Sewer	-	58,718
93700 Employee Benefit Contributions - Utilities	-	-
93800 Other Utilities Expense	-	(57,299)
93000 Total Utilities	-	458,135

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
September 30, 2017

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self- Sufficiency Program
Expenses (continued):			
94100 Ordinary Maintenance and Operations - Labor	94,655	-	-
94200 Ordinary Maintenance and Operations - Materials and Other	39,684	2,065	-
94300 Ordinary Maintenance and Operations Contracts	82,917	7,760	-
94500 Employee Benefit Contributions - Ordinary Maintenance	21,894	-	-
94000 Total Maintenance	239,150	9,825	-
95100 Protective Services - Labor	-	-	-
95200 Protective Services - Other Contract Costs	749	-	-
95300 Protective Services - Other	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-
95000 Total Protective Services	749	-	-
96110 Property Insurance	11,930	302	-
96120 Liability Insurance	6,354	-	-
96130 Workmen's Compensation	804	-	-
96140 All Other Insurance	-	-	-
96100 Total insurance Premiums	19,088	302	-
96200 Other General Expenses	8,437	32,011	-
96210 Compensated Absences	28,923	-	-
96300 Payments in Lieu of Taxes	13,017	3,558	-
96400 Bad debt - Tenant Rents	-	17	-
96500 Bad debt - Mortgages	-	-	-
96600 Bad debt - Other	-	-	-
96800 Severance Expense	-	-	-
96000 Total Other General Expenses	50,377	35,586	-
96710 Interest of Mortgage (or Bonds) Payable	-	16,616	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-
96700 Total Interest Expense and Amortization Cost	-	16,616	-
96900 Total Operating Expenses	1,164,923	77,765	56,230
97000 Excess of Operating Revenue over Operating Expenses	192,498	48,688	-
97100 Extraordinary Maintenance	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-
97300 Housing Assistance Payments	-	-	-
97350 HAP Portability-In	-	-	-
97400 Depreciation Expense	287,878	12,589	-
97500 Fraud Losses	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-
97800 Dwelling Units Rent Expense	-	-	-
90000 Total Expenses	1,452,801	90,354	56,230
10000 Excess of Total Revenue Over Total Expenses	(95,380)	36,099	-
Beginning Net Position	3,304,289	1,692,016	-
Ending Net Position	3,208,909	1,728,115	-

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
September 30, 2017

	14.870 Resident Opportunity and Supportive Services	6.1 Component Unit - Discretely Presented	14.879 Mainstream Vouchers
Expenses (continued):			
94100 Ordinary Maintenance and Operations - Labor	-	180,733	-
94200 Ordinary Maintenance and Operations - Materials and Other	-	141,885	-
94300 Ordinary Maintenance and Operations Contracts	-	214,455	-
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-
94000 Total Maintenance	-	537,073	-
95100 Protective Services - Labor	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-
95300 Protective Services - Other	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-
95000 Total Protective Services	-	-	-
96110 Property Insurance	-	69,467	-
96120 Liability Insurance	-	-	-
96130 Workmen's Compensation	-	9,571	-
96140 All Other Insurance	-	438	-
96100 Total Insurance Premiums	-	79,476	-
96200 Other General Expenses	-	306,391	-
96210 Compensated Absences	-	-	3,655
96300 Payments in Lieu of Taxes	-	-	-
96400 Bad debt - Tenant Rents	-	-	-
96500 Bad debt - Mortgages	-	-	-
96600 Bad debt - Other	-	115,842	-
96800 Severance Expense	-	-	-
96000 Total Other General Expenses	-	422,233	3,655
96710 Interest of Mortgage (or Bonds) Payable	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	1,177,577	-
96730 Amortization of Bond Issue Costs	-	-	-
96700 Total Interest Expense and Amortization Cost	-	1,177,577	-
96900 Total Operating Expenses	62,510	2,906,296	92,491
97000 Excess of Operating Revenue over Operating Expenses	-	358,933	605,882
97100 Extraordinary Maintenance	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-
97300 Housing Assistance Payments	-	-	648,306
97350 HAP Portability-In	-	-	-
97400 Depreciation Expense	-	814,744	-
97500 Fraud Losses	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-
97800 Dwelling Units Rent Expense	-	-	-
90000 Total Expenses	62,510	3,721,040	740,797
10000 Excess of Total Revenue Over Total Expenses	-	(455,811)	(42,424)
Beginning Net Position	-	(206,258)	-
Ending Net Position	-	(662,069)	(42,424)

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
September 30, 2017

	14.871 Housing Choice Vouchers	14.269 Community Development Block Grant Disaster Recovery Grants (CDBG-DR)	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
Expenses (continued):				
94100 Ordinary Maintenance and Operations - Labor	-	-	-	275,388
94200 Ordinary Maintenance and Operations - Materials and Other	145	-	-	183,779
94300 Ordinary Maintenance and Operations Contracts	-	-	-	305,132
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-	21,894
94000 Total Maintenance	145	-	-	786,193
95100 Protective Services - Labor	-	-	-	-
95200 Protective Services - Other Contract Costs	481	-	-	1,230
95300 Protective Services - Other	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-
95000 Total Protective Services	481	-	-	1,230
96110 Property Insurance	-	-	-	81,699
96120 Liability Insurance	-	-	-	6,354
96130 Workmen's Compensation	-	-	-	10,375
96140 All Other Insurance	-	-	-	438
96100 Total insurance Premiums	-	-	-	98,866
96200 Other General Expenses	10,000	-	-	356,839
96210 Compensated Absences	11,244	-	-	43,822
96300 Payments in Lieu of Taxes	-	-	-	16,575
96400 Bad debt - Tenant Rents	-	-	-	17
96500 Bad debt - Mortgages	-	-	-	-
96600 Bad debt - Other	-	-	-	115,842
96800 Severance Expense	-	-	-	-
96000 Total Other General Expenses	21,244	-	-	533,095
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	16,616
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	1,177,577
96730 Amortization of Bond Issue Costs	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	-	1,194,193
96900 Total Operating Expenses	364,329	-	2,000	4,726,544
97000 Excess of Operating Revenue over Operating Expenses	4,046,559	36,920	34,036	5,323,516
97100 Extraordinary Maintenance	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-
97300 Housing Assistance Payments	4,298,610	-	27,444	4,974,360
97350 HAP Portability-In	243,000	-	-	243,000
97400 Depreciation Expense	-	-	-	1,115,211
97500 Fraud Losses	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-
90000 Total Expenses	4,905,939	-	29,444	11,059,115
10000 Excess of Total Revenue Over Total Expenses	(495,051)	36,920	6,592	(1,009,055)
Beginning Net Position	521,219	-	16,373	5,327,639
Ending Net Position	26,168	36,920	22,965	4,318,584

ROCKVILLE HOUSING ENTERPRISES
FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSE SUMMARY
September 30, 2017

	ELIM	Total
Expenses (continued):		
94100 Ordinary Maintenance and Operations - Labor	-	275,388
94200 Ordinary Maintenance and Operations - Materials and Other	-	183,779
94300 Ordinary Maintenance and Operations Contracts	-	305,132
94500 Employee Benefit Contributions - Ordinary Maintenance	-	21,894
94000 Total Maintenance	-	786,193
95100 Protective Services - Labor	-	-
95200 Protective Services - Other Contract Costs	-	1,230
95300 Protective Services - Other	-	-
95500 Employee Benefit Contributions - Protective Services	-	-
95000 Total Protective Services	-	1,230
96110 Property Insurance	-	81,699
96120 Liability Insurance	-	6,354
96130 Workmen's Compensation	-	10,375
96140 All Other Insurance	-	438
96100 Total insurance Premiums	-	98,866
96200 Other General Expenses	-	356,839
96210 Compensated Absences	-	43,822
96300 Payments in Lieu of Taxes	-	16,575
96400 Bad debt - Tenant Rents	-	17
96500 Bad debt - Mortgages	-	-
96600 Bad debt - Other	-	115,842
96800 Severance Expense	-	-
96000 Total Other General Expenses	-	533,095
96710 Interest of Mortgage (or Bonds) Payable	-	16,616
96720 Interest on Notes Payable (Short and Long Term)	-	1,177,577
96730 Amortization of Bond Issue Costs	-	-
96700 Total Interest Expense and Amortization Cost	-	1,194,193
96900 Total Operating Expenses	-	4,726,544
97000 Excess of Operating Revenue over Operating Expenses	-	5,323,516
97100 Extraordinary Maintenance	-	-
97200 Casualty Losses - Non-capitalized	-	-
97300 Housing Assistance Payments	-	4,974,360
97350 HAP Portability-In	-	243,000
97400 Depreciation Expense	-	1,115,211
97500 Fraud Losses	-	-
97600 Capital Outlays - Governmental Funds	-	-
97700 Debt Principal Payment - Governmental Funds	-	-
97800 Dwelling Units Rent Expense	-	-
90000 Total Expenses	-	11,059,115
10000 Excess of Total Revenue Over Total Expenses	-	(1,009,055)
Beginning Net Position	-	5,327,639
Ending Net Position	-	4,318,584

ROCKVILLE HOUSING ENTERPRISES
Rockville, Maryland
Year ended September 30, 2017

Statement and Certification of Actual Capital Fund Program Costs

Grant Year MD39P007501-06

- 1 The actual program costs of Grant MD39P007501-06 are as follows:

Funds Approved	\$ 278,372
Funds Expended	<u>278,372</u>
Excess/(Deficiency) of Funds	<u><u>\$ -</u></u>
Funds Advanced	\$ 278,372
Funds Expended	<u>278,372</u>
Excess/(Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

- 2 No additions during the audit period.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate as submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

ROCKVILLE HOUSING ENTERPRISES
Rockville, Maryland
Year ended September 30, 2017

Statement and Certification of Actual Capital Fund Program Costs

Grant Year MD39P007501-07

- 1 The actual program costs of Grant MD39P007501-07 are as follows:

Funds Approved	\$ 284,941
Funds Expended	<u>284,941</u>
Excess/(Deficiency) of Funds	<u>\$ -</u>
Funds Advanced	\$ 284,941
Funds Expended	<u>284,941</u>
Excess/(Deficiency) of Funds Advanced	<u>\$ -</u>

- 2 No additions during the audit period.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate as submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

ROCKVILLE HOUSING ENTERPRISES
Rockville, Maryland
Year ended September 30, 2017

Statement and Certification of Actual Capital Fund Program Costs

Grant Year MD39P007501-08

- 1 The actual program costs of Grant MD39P007501-08 are as follows:

Funds Approved	\$ 278,971
Funds Expended	<u>278,971</u>
Excess/(Deficiency) of Funds	<u><u>\$ -</u></u>
Funds Advanced	\$ 278,971
Funds Expended	<u>278,971</u>
Excess/(Deficiency) of Funds Advanced	<u><u>\$ -</u></u>

- 2 No additions during the audit period.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate as submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners of the
Rockville Housing Enterprises
Rockville, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rockville Housing Enterprises (the Authority) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Rockville Housing Enterprises' basic financial statements, and have issued our report thereon dated March __, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bethesda, Maryland
March __, 2018



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY UNIFORM GUIDANCE**

To the Board of Commissioners of the
Rockville Housing Enterprises
Rockville, MD

Report on Compliance for Each Major Federal Program

We have audited the Rockville Housing Enterprises' (the Authority's) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2017. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.



Member, American Institute of Certified Public Accountants

Opinion on Each Major Federal Program

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bethesda, Maryland
March __, 2018

DRAFT

ROCKVILLE HOUSING ENTERPRISES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2017

Federal Grantor/Program or Cluster Title	Federal CFDA Number	through Identifying Number	Total Federal Expenditures
Department of Housing and Urban Development Programs			
Low Income Public Housing	14.850	N/A	512,815
Capital Fund Program	14.872	N/A	166,901
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	N/A	4,119,311
Mainstream Vouchers	14.879	N/A	698,373
			<u>4,817,684</u>
Section 8 Project-Based Cluster:			
Lower Income Housing Assistance Program - Section 8			
Moderate Rehabilitation	14.856	N/A	36,036
Resident Opportunity and Supportive Services	14.870	N/A	62,510
Family Self-Sufficiency Program	14.896	N/A	<u>56,230</u>
Total Direct Expenditures			5,652,176
Pass through from the City of Rockville:			
Hurricane Sandy Community Development Block Grant			
Disaster Recovery Grants	14.269	1064794	<u>36,920</u>
TOTAL HUD EXPENDITURES			<u>5,689,096</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 5,689,096</u>

See Notes to the Schedule

ROCKVILLE HOUSING ENTERPRISES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2017

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SIGNIFICANT ACCOUNTING POLICY

The Authority recognizes grant revenue when earned on an accrual basis; that is, activities prerequisite to obtaining benefit have been completed, such as, complying with the terms and conditions of the grant agreement.

3. SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ended September 30, 2017.

4. INDIRECT COST RATE

The Authority has not elected to use the 10% de minimis cost rate.

ROCKVILLE HOUSING ENTERPRISES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2017

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material Weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | No |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | No |
| 5. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance? | No |

7. Identification of Major Programs:

<u>Federal Grantor/Program Title</u>	<u>CFDA No.</u>		
U.S. Department of Housing and Urban Development (HUD):			
<u>Housing Voucher Cluster:</u>			
Housing Choice Voucher Program	14.871	\$	4,119,311
Mainstream Vouchers	14.879	\$	698,373

- | | | |
|---|----|---------|
| 8. Dollar threshold used to distinguish between Type A and Type B programs: | \$ | 750,000 |
| 9. Auditee qualified as low-risk auditee under Uniform Guidance, section 530? | | No |

ROCKVILLE HOUSING ENTERPRISES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2017

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

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ROCKVILLE HOUSING ENTERPRISES
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
September 30, 2017

SECTION I – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

SECTION II – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

DRAFT

RELP ONE
AUDIT
FISCAL YEAR ENDING
DECEMBER 2017